

Some Illegal Evidence Is Ruled Admissible by U.S. High Court

By James H. Rubin
The Associated Press

WASHINGTON — The U.S. Supreme Court, acting in a 16-year-old murder case, ruled Monday for the first time that illegally obtained evidence may be admitted in criminal trials if the evidence "inevitably" would have been discovered anyway by legal means.

By a 7-2 vote, the court ruled that a lower court erroneously threw out the evidence in the case of a 10-year-old boy, Robert A. Williams, who was found guilty of killing 10-year-old Pamela Powers in 1968.

U.S. Intercepts Warhead in Test Attack

The Associated Press

WASHINGTON — An experimental U.S. Army missile has scored what is believed to be the world's first successful interception of an oncoming ballistic missile warhead, Pentagon officials said Monday.

The missile, fired from a Pacific island on Sunday, hit a dummy warhead carried by a Minuteman intercontinental missile from Vandenberg Air Force Base, they said.

The interception was disclosed in a brief announcement of plans for a news conference later in the day to discuss what the Pentagon called a "successful... intercept of a re-entry vehicle" in a program called the Homing Overlay Experiment.

Three previous attempts failed to destroy targets.

Major General Lyle Barker, the army chief of information, said it was the first known missile interception, not only for the United States, but for the world.

The Homing Overlay Experiment is one of several concepts being explored by the Reagan administration as part of its plan for a defense of the United States against possible missile attack. It called a multi-layered system because it contemplates countering attacking missiles in different phases of their courses from shortly after launch to near impact.

A major part of the administration plan, and one that has become highly controversial, involves possible development of space-based laser and beam weapon devices, possibly by the end of this century.

The experiment, called HOE for short, is one result of about a decade of army research.

"The HOE program is designed to validate the optical homing technology needed to develop a near-term, nonnuclear capability for destroying an attacker's strategic ballistic missiles outside the atmosphere," the announcement said.

According to officials, the intercepting missile was launched from Meck Island in the Kwajalein missile testing complex. Above the atmosphere, the interceptor separated from its booster rocket and its long-wave infrared sensor and guidance computer locked on the target warhead.

The infrared sensor can detect heat equivalent to that of a human body more than a thousand miles (1,600 kilometers) away when operating against the cold background of space, officials said.

Just seconds before impact, officials said, a metal device shaped somewhat like the frame of an umbrella unfurled from the neck of the interceptor. The device has ribs studded with weights and is designed to result in what they said was a "shattering collision."

INSIDE

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TOMORROW

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Chief Justice Warren E. Burger, writing the court's opinion, said that the so-called exclusionary rule, which restricts the use of illegally obtained evidence, is intended to deter police misconduct.

But, he said, "If the prosecution can establish by a preponderance of the evidence that the information ultimately or inevitably would have been discovered by lawful means," Mr. Burger wrote, "then the deterrence rationale has so little basis that the evidence should be received."

"Anything less would reject logic, experience and common sense," he added.

In a dissenting opinion, Justice William J. Brennan said that unlawfully seized evidence should be allowed only if the authorities can provide "clear and convincing" proof, and not merely show by a preponderance of the evidence, that it would have been discovered anyway by legal means.

Justice Thurgood Marshall joined in the dissent.

In other rulings Monday regarding criminal prosecutions, the court:

● Ruled, 9-0, that law enforcement agencies may use the results of alcohol breath tests against accused drunk drivers even when the actual breath samples are not preserved.

● Ruled, 7-2, that defendants may not avoid prosecution on the most serious criminal charges facing them by pleading guilty to lesser crimes involved in the same incident.

● Ruled, 9-0, that prosecutors did not violate a murder defendant's constitutional rights by making a plea-bargain offer and then withdrawing it before it could be approved by the court.

In its ruling in the Iowa case, the court approved the "inevitable discovery" principle, which many federal appeals courts have been using in reviewing criminal cases.

In 1914, the Supreme Court first fashioned the exclusionary rule as a procedural matter for federal courts. It said evidence obtained by lawless action, such as a warrantless search by U.S. agents, could not be used in federal trials.

The court reasoned that prosecutors, to assure that their evidence against suspected criminals would not be ruled inadmissible, would make sure law enforcement agents adhered to approved tactics.

In 1961, the court ruled that suppression of illegally seized evidence is required by the Constitution and applies to both state and federal prosecutions.

Two additional cases involving whether there can be "good-faith" exceptions to the exclusionary rule are pending before the Supreme Court.

The case decided Monday began in 1968 when police arrested Mr. Williams in connection with the disappearance of Miss Powers in Des Moines, Iowa.

Mr. Williams was arrested in Davenport, Iowa, and was driving with police to Des Moines when a Des Moines police detective urged

(Continued on Page 4, Col. 5)

Berlinguer, Italian Communist Leader, Is Dead

By Sari Gilbert
Washington Post Service

ROME — Enrico Berlinguer, 62, the leader of the Italian Communist Party, died Monday, five days after suffering a brain hemorrhage.

Mr. Berlinguer's death leaves the Communist Party, which is the largest in the West and Italy's second largest political group, without a clear successor for the first time since World War II.

Mr. Berlinguer had been chief of the party since 1972 and a member of the Italian Chamber of Deputies since 1968.

One of Italy's most respected politicians and the leader of about 1.7 million party members and more than 11 million Communist voters, Mr. Berlinguer was one of the founders of Eurocommunism, an attempt to combine Marxist ideology with Western democracy.

President Sandro Pertini, a Socialist, had spent the weekend in Padua to stay near Mr. Berlinguer. Mr. Berlinguer suffered a stroke Thursday in Padua while addressing a party rally.

Officials said President Pertini was postponing his departure for Rome to transport the coffin in the presidential plane.

"I take him with me, as a fraternal friend, as a son, as a comrade in struggle," the 87-year-old head of state said.

The Vatican issued a statement describing Mr. Berlinguer as a man "esteemed for the seriousness of his enterprise and the drive which motivated him."

While supporting Italy's present membership in the NATO military alliance, Mr. Berlinguer had opposed the deployment in Sicily and elsewhere in Western Europe of

U.S. intermediate-range nuclear missiles.

However, under his leadership in recent years, differences with Moscow over Afghanistan, Poland and other issues brought the Italian Communists close to a total break with Moscow.

In the early 1970s, Mr. Berlinguer's call for cooperation between Catholic and Communist forces led the party to unusual political influence in Italy.

By 1976, Mr. Berlinguer had led his party to control of most of Italy's major cities and several of its 20 regions. Winning 34.5 percent of the vote that year, he brought the party to the threshold of government participation, and for three years it provided essential support for a coalition led by the Christian Democrats.

In the elections of 1979 and 1983

the party's strength declined, falling to 29.9 percent last year.

Before taking over as party secretary in 1972 at the age of 50 when the ailing Luigi Longo stepped down, Mr. Berlinguer had served for three years as the Communist's deputy chief and its heir apparent.

In 1943, when he was 21, Mr. Berlinguer joined the outlawed Communist party. Arrested in January 1944 for anti-Fascist activities, he spent three months in prison.

When World War II ended, Mr. Berlinguer's rise to power began. In 1948, at 26, he was brought into the party executive committee.

By 1964, at the death of Palmiro Togliatti, the party's postwar leader, Mr. Berlinguer was already being viewed as a man of the party's future. Four years later, with his first election to parliament as the head of the Communist Party's



Enrico Berlinguer

Rome electoral list, he had attained national stature. Mr. Berlinguer was known for his reserved manner and retiring habits. He had four children, three girls and a boy. His wife, Letizia, is a practicing Catholic.

NEW BEIRUT VIOLENCE — A Moslem resident of West Beirut screamed as shells fell around him on Monday in renewed violence in the Lebanese capital. Page 2.

Sikh Soldiers Kill General in Mutiny; Punjab Toll Is Revised

By William Claiborne
Washington Post Service

NEW DELHI — Three groups of Sikh soldiers, outraged over the Indian Army's assault on radical Sikh separatists in the sacred Golden Temple at Amritsar, have mutinied, and the government confirmed Monday that one of the groups killed its high-ranking Hindu commander.

The Indian Army, attempting to contain the mutiny, on Monday rounded up two groups of deserters near Bombay and near the northern city of Allahabad.

According to official reports reaching New Delhi, a group of enlisted men left their barracks near Poona, southeast of Bombay, on Sunday and drove nearly 100 miles (160 kilometers) toward Bombay, firing wildly along the way and killing one person.

The mutineers were arrested Monday near the city of Thana, north of Bombay, according to Indian news agencies. Another group of deserters from Poona were reported to have avoided security forces.

Authorities said that a group of enlisted men who deserted a Sikh regiment in Ramgarh, in the state of Bihar, Sunday and tried to drive to Punjab, surrendered Monday near Allahabad, in Uttar Pradesh.

The Defense Ministry said that only a few Sikh soldiers had deserted, but reports from Ramgarh said that 125 enlisted men in 35 vehicles joined a motorcade of militant Sikh civilians after the army camp commander, Brigadier General R.S. Puri, was shot to death and six other officers were wounded.

Indian news agencies reported that the remaining soldiers in the regiment have raised a white flag and surrendered to a government regiment based in Ramgarh, 30 miles away, that had rushed to Ramgarh. Meanwhile, the Indian Army command Monday night revised upwards its own casualty figures in the Golden Temple assault, saying that since it launched the operation Wednesday, 90 army troops, including four officers, have been killed. An army spokesman, Major General R.K. Gaur, said in Chandigarh that 292 army personnel, including 14 officers, were wounded in the attack and the mopping up operation.

There are a number of exclusive Sikh regiments in the Indian Army, but none of them were used in the assault on the Golden Temple, the Sikhs' most revered shrine. Official sources in Punjab said that the spearhead of the attack was comprised of a mostly Hindu regiment from the far northeastern state of Assam, that had been trained for several months for the commando operation, while several Sikh regiments from Punjab and bordering states were sent to Assam for security duty.

Two Sikh members of Parliament, Devinder Singh Garcha and Amrinder Singh, announced their resignations in protest of the temple raid.

The former chief minister of Punjab Parkash Singh Badal, demanded Monday the withdrawal of the army from the Golden Temple, lifting of the curfew and handing over control of the shrine to the Sikhs' temple management committee.

Mr. Badal, one of the few leading figures in the Sikh Akali Dal party who has not been arrested, said the Indian government had "waged war" on Sikhs, and that it was the responsibility of Sikhs throughout the country to fight back.

He called on all Sikh members of Parliament and state legislatures to resign, and said he approved of the desertions of Sikhs from the army, saying they were fulfilling their duty to Sikhism.

The army command has not officially altered its estimate of nearly 400 Sikh militants killed in the temple compound, but unofficial reports from Amritsar say that already 780 bodies have been cremated, and that the death toll may reach 1,000.

[The Associated Press quoted army and police sources in Amritsar as saying Sunday that nearly 800 Sikh militants and 300 soldiers had died in the assault on the temple.]

On Friday, about 100 Sikh troops were reported to have deserted their post in Ganganagar, in the state of Rajasthan and crossed by truck into Punjab, where they were stopped by security forces.

While the number of mutineers so far has not been great, the three incidents have caused considerable concern in Prime Minister Indira Gandhi's government because of the likelihood that they will cause mistrust between Sikhs and non-Sikhs in the armed services.

Mrs. Gandhi, in a conciliatory speech made to army troops in Ladakh, Kashmir, said Monday that the assault on the Golden Temple complex was not directed at any one religion or political party, but was aimed at extremists "who had killed innocent people."

She said the army had exercised "great restraint" in Punjab, sustaining higher casualties as a result. "We tried to avoid this action until the last, but were left with no alternative but to flush out the extremists, who had killed innocent people," Mrs. Gandhi said.

While Sikhs comprise only 2 percent of India's more than 700 million population, traditionally they have had a disproportionate influence in the Indian military, although that influence has been waning in recent years.

Under a 1980 government order fixing military service quotas according to state populations, Sikh representation has fallen to 12 percent, and militant Sikhs claim that if the regulation is fully applied, Sikhs will soon comprise only 2 percent of the armed forces. They are demanding that the 1980 quota be rescinded.

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Mississippi River '84: Vintage Year

New York Times Service

DALLAS — With considerable hoopla, eight bottles of water — the pride of eight cities — were swirled, sniffed and slurped by a trio of judges.

There were oohs, aaahs, much smacking of lips and a grimace or two as the judges rated the water samples for clarity, aroma, flavor and the expert wine taster's sense of "feel."

The taste-off, the result of a challenge by Dallas Mayor A. Starke Taylor, who claimed his city's drinking water was the nation's best, took place Sunday at the annual convention of the American Water Works Association.

The judges tried water from deep under the surface of New York City. They tried Lake Michigan water from Chicago. They tried Mississippi River water from New Orleans.

They tried kitchen sink water from Toronto. And they tried water from the municipal systems of Los Angeles, Miami, Dallas and Seattle.

After the last glass was swirled, the judges awarded first prize to New Orleans.

New York, which had expected to win easily with a sample from a 700-foot-deep well in Queens that was flown to Dallas in refrigerated cases that usually carry organ transplants, did not even finish in the top three.

"Perhaps, like fine wine, our water doesn't travel well," said Joseph T. McGough Jr., the city environmental protection commissioner. Miami finished second and Dallas third. The

order of the five trailing cities was not announced. Officials stressed that the test, judged by a panel of men who knew more about water chemical levels than the nose of a glass of drinking water, was hardly objective.

But in a similar test last week sponsored by a Dallas newspaper, using different samples from the same cities and one from Mexico City, New Orleans also won.

In that judging, New York finished seventh, ahead of only Mexico City and Los Angeles. Mexico City declined to compete in the second round.

The three judges Sunday took distinctive approaches to their task. Gustav Boger, director of Munich's water department, was the most fastidious, studying the water's color and sticking his nose deep into the glass to discern each sample's aroma.

Dr. Michael Collins, director of the Center for Urban Water Studies at Southern Methodist University in Dallas, took a more casual approach, swishing the water around like mouthwash.

Hugh Fish, the former chief executive officer of the Thames Water Authority in London, amiably swirled the water in his glass like a man preparing for an after-dinner brandy, then raised it above his head and examined it in the light.

If New Orleans develops a reputation for excellent drinking water, it will be a welcome development. The city in the past has been cited by U.S. officials for high levels of pollutants. It has had to upgrade its system markedly in recent years.



Dieter Felix Gerhardt and his wife, Ruth, leaving a Cape Town courtroom last year after being charged with treason.

A KGB Man's 'Extraordinary Career'

South African Had Access to NATO Computer Codes

By Thomas O'Toole
Washington Post Service

WASHINGTON — Western intelligence officials believe that a high-ranking South African naval officer, jailed for treason last year, was one of the most dangerous Soviet spies to operate in the West in recent years.

One U.S. naval intelligence official said Commodore Dieter Felix Gerhardt had "one of the most extraordinary careers in modern espionage history."

Mr. Gerhardt was detained by the Federal Bureau of Investigation 18 months ago on a flight from Syracuse to New York and flown to Cape Town. After a closed trial, he was sentenced in December to life imprisonment, and his wife, Ruth, to 10 years.

At the time of his arrest, Mr.

Gerhardt was commandant of the Simonstown Naval Station in South Africa where he had routine access to the underground Silvermine communications center. The South Africans alleged that he had worked for the KGB, the Soviet intelligence service, since 1963.

"Gerhardt is no ordinary spy. He is, in fact, the first flag officer of any country with ties to NATO who has been turned by the Soviets since the start of the Cold War," one U.S. intelligence official said.

"Gerhardt has been a member of the Club where there is a lot of camaraderie and information exchange to which he had access. There is no telling what this man might have picked up over the years."

During his naval career, Mr. Gerhardt is said to have had access to most of the North Atlantic Treaty

Organization's electronic intelligence, almost all of the surveillance information from Silvermine and secrets of NATO military and computer codes.

Mr. Gerhardt is also said to have had access to the newest weapons put into service by Britain's Royal Navy.

Details follow of Mr. Gerhardt's career. Although incomplete, they have been pieced together from interviews with current and former U.S. naval intelligence officials, British and South African intelligence authorities and sources close to the National Security Agency, the Central Intelligence Agency and the FBI.

Mr. Gerhardt, born in 1936, entered the South African Navy at 20 and was posted to the Royal Navy's Engineering College at Plymouth. (Continued on Page 2, Col. 3)

In European Voting, Local Issues Dominate

High Rate of Abstention Is Expected As Continent Picks a New Parliament

By John Vinocur
New York Times Service

PARIS — When Europeans vote for their Parliament in elections beginning Thursday, the essential issues will be less the future of the Continent than the narrower, national concerns that most Europeans say smother the goal of a united political Europe.

Reports from many of the 10 European Community countries voting for the European Parliament indicate that interest is highest in those nations where a ballot or an abstention has significance as criticism or approval of domestic policy.

The British, Danes and Dutch vote Thursday, and the other seven countries on Sunday. None of the results will be disclosed until Sunday.

"Europe — nobody gives a hoot," wrote Claude Sarraute, a columnist for *Le Monde*. "Starting with the people who are asking us to vote for them."

In many countries, abstention rates are expected to be high. In Britain, where only 39 percent of the eligible voters cast ballots in the last European Parliament election in 1979, a poll quoted by *The Sunday Times* of London said 87 percent of the country did not know European elections were taking place.

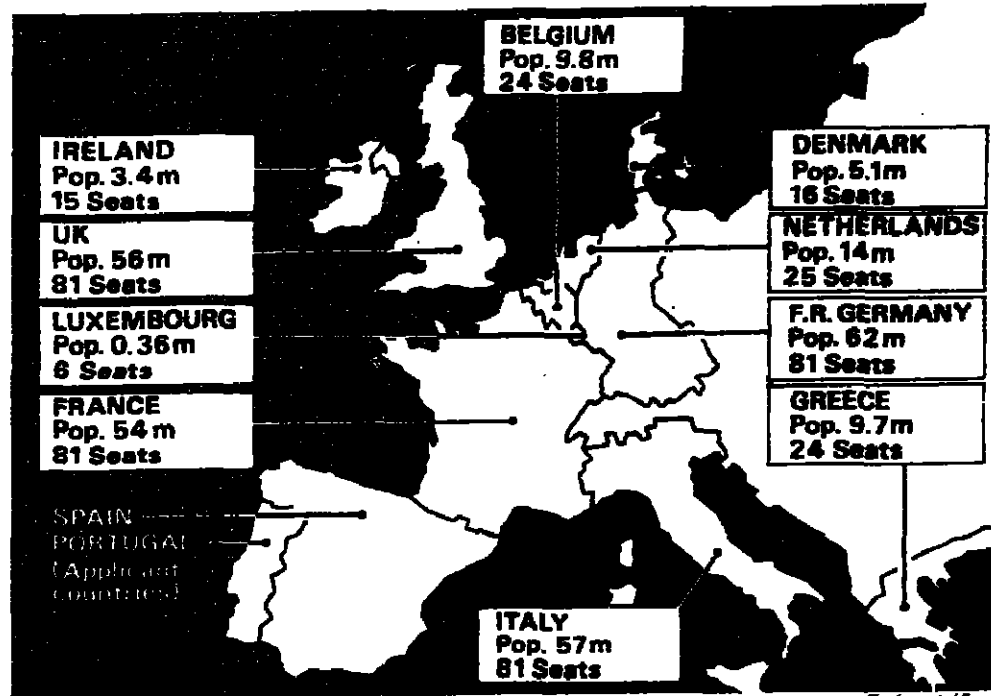
A study made for the European Parliament showed the probability of a 64 percent turnout, or 17 percent below the usual level for national contests. This would mean only the barest improvement over the 1979 results.

The Parliament has no strong identity and few creative powers. It can reject EC budget proposals, but it does not take part in their preparation. If it takes stands on issues such as human rights, its voice does not yet have sufficient resonance to influence public opinion within Europe, or in the countries to which its calls are addressed.

Gaston Thorn of Luxembourg, the president of the European Community Commission, said, "The idea has got to sink in that we are very far from the spirit or the letter" of the original ideal of a united Europe.

In this context, the European elections will serve mainly as clear soundings on domestic politics. In France, a brutal defeat for the Socialists could create an end-of-the-regime climate leading toward the French legislative elections in 1986, with the possibility of the Communists' departure from the government being intensified by either a marked increase or decrease in their score.

Polls in France suggest the elections will also produce a prickly novelty since a handful of seats are



expected to go to the National Front, the extreme-right party running on a "France first" ticket.

In Greece, the opposition conservatives are challenging the performance of Prime Minister Andreas Papandreu and his Panhellenic Socialist Movement, who have been in power for 32 months of a four-year-term.

If Mr. Papandreu suffered a substantial loss of support, President Constantine Caramanlis could dissolve Parliament and call for elections.

In West Germany, the Greens, the small anti-NATO environmental party, are likely to enter the Parliament for the first time, while the Free Democrats, junior partners in the government coalition, might not win the 5 percent of the

vote needed to send a representative to Strasbourg.

If the Free Democrats do poorly, pressure may increase on the already weakened party leader, Foreign Minister Hans-Dietrich Genscher, to resign, forcing Chancellor Helmut Kohl to refashion his government.

In the Netherlands, the Socialists are expected to improve over their 1979 performance at the expense of the coalition government of Christian Democrats and Liberals. A vote for the Socialists, in the Dutch context, will mean a vote against deployment of cruise missiles in the Netherlands.

In Britain, the Conservatives are expected to lose seats, but the Labor Party is in the difficult position of campaigning for places in a European institution that it has often

rejected or regarded with disdain.

Moscow Protests Berlin Vote
The Soviet Union protested to Britain, France and the United States on Monday that the holding in West Berlin of elections to the European Parliament was a "flagrant violation" of the 1971 four-power agreement on Berlin.

The official news agency Tass said the protest centered on the fact that representatives to the European Parliament from West Berlin would be seen as representatives of West Germany.

"West Berlin does not belong to the FRG," Tass said, referring to West Germany, "and is not governed by it. The competence of the European Community does not and may not apply to it."

Gulf Accord On Cities Is in Doubt

Japan, Sweden Offer To Monitor Agreement

Reuters

BAHRAIN — Japan and Sweden have offered to monitor an agreement by Iran and Iraq to halt attacks on each other's civilian areas.

But only hours before the agreement was due to go into effect at midnight Monday, Iraq said it had attacked the Iranian city of Dezful in retaliation for what it termed indiscriminate shelling of the Iraqi port of Basra and four border towns.

After an appeal by United Nations Secretary-General Javier Pérez de Cuellar, Iran and Iraq said Sunday that they had agreed to stop attacks on civilian areas and asked that the agreement be monitored.

Mr. Pérez de Cuellar, who is on a visit to the Middle East, said he would have to study the response from Baghdad and Tehran, who have been at war since September 1980, before deciding whether to send observers to monitor the agreement.

In Stockholm, Prime Minister Olof Palme, the UN mediator in the conflict, said Sweden was prepared to play a supervisory role. In Tokyo, a Foreign Ministry official was quoted as saying that Japan was ready to take part in any UN mission.

In Baghdad, the government-controlled Al-Thawra newspaper said that despite the agreement to stop attacks on civilian areas in which hundreds of people were killed or wounded in the past week Iraq would maintain its blockade of Iran's Kharg Island oil terminal at the head of the Gulf.

The report implied that Baghdad considered Kharg a legitimate military target since oil revenue helps finance Iran's war machine.

Tehran has said the Gulf should be safe for all or none. Kuwait accused Iran of attacking the Kuwaiti-owned 163,448-ton tanker *Kazimiah* about 100 miles (160 kilometers) east of Qatar.

Meanwhile, Bahrain's minister of development and industry said that Gulf Arab states had decided at a meeting in Saudi Arabia on Sunday to compensate buyers for any oil they lose in attacks on tankers.

The minister, Youssef al-Shirazi, told the Bahrain-based Gulf News Agency that the ministers from Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Oman and Bahrain, also agreed not to reduce the price of their oil.

But he said that, because of the attacks on oil tankers and the rise in insurance rates, the price of Gulf oil was no longer competitive.

The minister, who attended the meeting in Tai, said the decision to pay compensation for shipments destroyed in attacks on tankers was meant to prevent the escalation of insurance rates.

In Baghdad, Iraq made clear that it would keep up its blockade of Iran's Kharg Island oil terminal despite agreement by both sides in the Gulf war to avoid attacks on civilian targets.

The Al-Thawra newspaper said in a commentary: "The Iraqi blockade of Kharg is a decision that will not be canceled, a decision that accepts no veto by any party. The blockade will end in one of two situations: either the destruction of Kharg or Iran's acceptance of peace."

Al-Thawra said: "The Iranian terminals will continue to be forbidden and out of action. The Iranian regime must understand that the decision to export oil under Iraqi blockade will no longer be taken in Qom or Tehran. It will be taken in Baghdad and Baghdad only."

Iraqi planes and naval forces have attacked scores of ships in the northern Gulf since Baghdad started its war of economic attrition against Iran.

While saying that Iraq's agreement to end civilian strikes again showed good will and a desire for peace, Al-Thawra continued its belligerent rhetoric.

"Iraq knows very well that peace can only be achieved by hammering the head of the enemy and continuing the successful blockade of Kharg while continuing its preparation to crush any aggression," the paper said.

Al-Thawra said Iran's rulers were suffering a moral breakdown, "and said this explained why they were preparing a new aggression that will also end in a military defeat."

Palestinians Seek Bus Hijack Report
The Associated Press
TEL AVIV — The parents of two Palestinians killed after they hijacked an Israeli bus two months ago have demanded access to a secret military inquiry into their sons' deaths, their lawyer said.

The lawyer, Felicia Langer, said Sunday that the parents of two cousins, Subhi Abu Jumaa and Majdi Abu Jumaa, had asked the High Court to order Defense Minister Moshe Arens to release the complete report to them. She said he believed that excerpts, published two weeks ago, covered up more extensive findings in the report. A Defense Ministry statement said that the military inquiry found that they were beaten to death with a blunt instrument in a field near the bus.

WORLD BRIEFS

Soviet Rejects U.S. Bid for Arms Talks

MOSCOW (WP) — The Kremlin's chief spokesman, Leonid M. Zamyatin, on Monday dismissed President Ronald Reagan's offer to resume nuclear arms negotiations with the Soviet Union without preconditions.

Mr. Zamyatin said there was "nothing new" in the London summit declaration, and that any resumption of the Geneva arms talks, which collapsed in December, must be linked to the removal of U.S. Pershing-2 and cruise missiles from Western Europe. He noted that the seven Western nations had called for political dialogue with Moscow and said: "They talk about negotiations without preconditions, but the conditions are already there in the form of missiles already stationed."

Mr. Zamyatin, speaking at a press conference in Moscow as leaders gathered for a summit session of Comecon, the East bloc economic grouping, said of Mr. Reagan's handling of the issue of nuclear arms: "We are frequently told that the president's hands are tied and that he cannot show sufficient flexibility because of the elections. However, he can show sufficient flexibility on an almost daily basis in expanding new types of weapons programs."

Reagan Doubtful on Better Soviet Ties

LONDON (NYT) — President Ronald Reagan said again Sunday that the Western allies were eager to renew nuclear arms negotiations and other talks with the Soviet Union, but he said there did not appear to be a consensus in Moscow on how to respond.

Speaking to reporters before leaving for Washington, Mr. Reagan went somewhat further than he has recently in discounting the possibility of improving relations with Moscow soon.

"We're so accustomed," Mr. Reagan said, "to viewing the Soviets as engaged in various kinds of machinations and so forth, it's beginning to occur to some of us that maybe the silence is because they don't know what to say right now." He added that leadership changes in Moscow had created uncertainty in the last few years. "Let them make up their minds what it is, and we will keep the door open for anytime that they want to come back," he said.

34 Arrested in West German Protest

MUTTLANGEN, West Germany (AP) — Hundreds of anti-nuclear protesters tried to blockade U.S. Army bases here for a third day Monday but were turned back by police. Thirty-four protesters were arrested.

No violence was reported, but police said that there was minor property damage at the Pershing missile depot in Muttlangen, where a protester cut through a barbed-wire fence surrounding the installation.

Protest organizers claimed that 1,200 persons joined Monday's demonstration; a police spokesman estimated the number at "600 at the most."

Prague Assails French Military Policy

VIENNA (Reuters) — Rude Pravo, the Czechoslovak Communist Party newspaper, criticized Monday what it called France's strengthening of military ties with its North Atlantic Treaty Organization allies and plans for a "rapid deployment" of French forces in central Europe.

President François Mitterrand of France is scheduled to visit Moscow next week. Rude Pravo said French officials had lately been "ostentatiously" exposing an Atlantic "comradeship in arms" as if their conscience was pricking them that France has not participated in the activities of the military section of NATO since 1966.

French military officials said last week that France had increased its ability to intervene quickly in central Europe through the creation of a 47,000-strong rapid action force.

Polish Dissident Starts Hunger Strike

WARSAW (Reuters) — A Polish dissident, Jacek Kuron, began a hunger strike in prison Monday to try to force the government to put him on trial or free him, his son Maciek said.

Mr. Kuron, 50, is one of a group of 11 leaders of the dissident movement and the banned Solidarity union accused of plotting to overthrow Communist rule.

No date has been set for their trial although most of them have been in custody since martial law was declared in December 1981. Maciek Kuron said his father had been visited Monday by his sister-in-law, Ewa Dobrowolska, in Warsaw's Rakowicka Prison and that she confirmed that he had begun refusing food.

German Print Strike Talks Resume

DUSSELDORF, West Germany (Reuters) — The West German printers' union resumed talks Monday with employers that are aimed at quelling strikes over demands for a five-hour cut in the workweek.

Talks in the four-week metal workers' walkout, which has paralyzed the automobile industry and killed about 400,000 workers who are on strike, laid off or locked out, were scheduled to resume Wednesday.

U.S. Report Disputes Acid Rain Peril

WASHINGTON (AP) — Acid rain by itself does not appear to seriously damage major crops such as corn, potatoes and soybeans, government researchers reported Monday.

Chris Bernabo, who heads a multi-agency research program, called the finding "significant" and "not surprising." Early studies suggesting that acid rain damaged crops were poorly designed, with natural causes of damage unduly emphasized, he said.

Regarding the threat to forests, Mr. Bernabo said that some species of trees have shown drastic slowdowns in growth over the past 20 years and, "We cannot find an adequate explanation in natural factors alone," such as insects or drought.

Chinese Defense Minister Visits U.S.

WASHINGTON (AP) — The Defense Department rendered a full-dress military salute to Zhang Aiping as the Chinese defense minister arrived Monday at the Pentagon for discussions on possible Chinese purchases of U.S. defensive weapons and military technology.

Mr. Zhang, the first defense minister from China to visit the United States, is scheduled to visit U.S. military bases and defense contracting plants. His counterpart, Defense Secretary Caspar W. Weinberger, visited China last September and announced in Beijing that the United States was prepared to sell China high technology military equipment, specifically for defensive purposes.

The Chinese are known to be interested in buying improved anti-tank missiles, anti-aircraft weapons and radar. However, James A. Kelly, deputy assistant secretary of defense for East Asia affairs, told Congress last week that the Chinese were more interested in obtaining U.S. technology so they can build their own weapons.

Nakasone Reassures Europe on Trade

LONDON (WP) — Prime Minister Yasuhiro Nakasone of Japan, in a speech here Monday night, sought to ease European concerns about shifting American trade patterns that now reflect greater trade with the booming economies of Pacific basin countries than with the traditional U.S. partners in Western Europe.

"I know that some people in Europe have mixed feelings about the dynamic economic development under way in the Asia-Pacific region and the increasing attention which the United States is giving to this region," he said.

"But we should not think in terms of the Atlantic versus the Pacific, or Europe versus Asia. It is not a question of one against the other," he said in a speech before the International Institute for Strategic Studies.

Philippine Opposition Defines Tactics

MANILA (NYT) — Opposition parties decided Monday to challenge President Ferdinand E. Marcos's New Society Party for the leadership of the National Assembly when it convenes July 23.

Leaders of the United Nationalist Democratic Organization and four smaller opposition parties said they would push for revision of the parliament's rules to create an effective two-party system in the legislature.

"As we promised the electorate, we will check and balance the majority party," said José B. Laurel, speaker of the pre-martial law House of Representatives, who was elected to represent Batangas province in the new assembly.

The opposition parties held 59 seats against 113 in Mr. Marcos's party and 11 independents. However, the opposition has formally protested 23 more seats, alleging irregularities in the May 14 elections.

Reagan Said to Restrict Decisions on Covert Moves

By Leslie H. Gelb
New York Times Service

WASHINGTON — President Ronald Reagan has abolished a long-standing process of interdepartmental consultations for covert operations by the Central Intelligence Agency, according to former and present senior officials of the administration.

In interviews last week, the officials said Mr. Reagan abandoned the procedure at the outset of his administration in favor of discussions and decision-making by a small group of senior political and national security advisers.

The intent of this reorganization,

the officials said, was to reduce the risk of unauthorized news disclosures. But, according to knowledgeable officials, the result has been a sharp expansion of covert actions by the CIA.

Since 1979, some officials said, the expansion meant at least a five-fold increase to over 50 continuing operations. About half of these are said to be in Central America, with a large percentage in Africa.

The programs include paramilitary operations, the channeling of funds and the collection of information.

Opinion is divided within the administration on whether suitable

personnel have been available to carry out all of these sensitive activities, whether proper control at the policy level has been maintained, and whether the accomplishments have been worth the risks.

Officials agree, however, that the reorganization removed from the review process most of the military and diplomatic experts in a position to judge feasibility, risks and connections to other policies and activities. The one exception has been operations in Central America, almost all of which, officials said, have been conceived and nurtured by the State Department and the Inter-American Affairs Bureau.

Soon after his inauguration, Mr. Reagan set up what he called the National Security Planning Group to deal with particularly important issues in an informal setting, according to the former and present officials. In addition to the president, the planning group members are said to include Vice President George Bush; Secretary of State George P. Shultz; Defense Secretary Caspar W. Weinberger; Robert C. McFarlane, the national security adviser; William J. Casey, director of central intelligence; James A. Baker 3rd, White House chief of staff; Michael K. Deaver, Mr. Baker's deputy; and Edwin Meese 3d, the president's counsel.

As distinguished from formal National Security Council meetings, the chairman of the Joint Chiefs of Staff is not a member, the

officials said, nor are aides generally allowed to attend.

When intelligence activities are discussed, the attorney general is invited, along with the director of the Office of Management and Budget, the officials said, adding that Mr. Casey was also usually accompanied by his deputy for clandestine operations.

As a general rule, officials said, those at the meetings were given no advance notification that proposed covert operations were to be discussed. They said papers normally prepared by the CIA were passed out at the meeting and collected at the end of the meeting. According to knowledgeable sources, Mr. Reagan usually makes his decision at the table.

Thus, according to the sources, those who attend are often without the benefit of staff advice before or during the meeting.

One policy-level official said, "The people at the top of this administration are fascinated with covert operations and find it easier to approve them than to discuss complicated diplomatic matters."

Mr. Casey was cited as a strong advocate of clandestine action. Several sources said he did so on several occasions against the advice of CIA agents and analysts.

Most of the sources agreed that the CIA as an institution had not been a strong promoter of covert operations since the early 1970s — after congressional investigations of these activities.

South African KGB Agent Had 'Extraordinary Career'

(Continued from Page 1)

England, where he was apparently first contacted by the KGB. The South Africans claim that he was "turned" by the Russians in 1965, a year or so before his marriage to "Ruth," an alleged KGB agent whom he married to help his cover.

Mr. Gerhardt served as South Africa's naval attaché in London and frequently visited naval bases in Britain and the United States to learn the latest developments of electronic sea warfare.

Just before becoming commandant of Simonstown in 1981, Mr. Gerhardt served on the planning and operations staff in Pretoria, where he was privy to all South African military communications, including those that would reveal South African military operations against Angola, whose Marxist government had enlisted Soviet and Cuban military aid.

Earlier, sources said, Mr. Gerhardt gave Moscow details of the French Exocet air-to-surface missile immediately after South Africa bought the weapon.

Among Mr. Gerhardt's disclosures are said to be the electronic secrets behind the British Seacat

missile used by 16 navies and the Tigerfish and Stingray torpedoes, considered to be two of the most potent Western naval weapons.

U.S. intelligence sources said that he had access to the design of the nuclear warhead that Britain put on the Polaris submarine missile bought from the United States.

The work of the strategically located Silvermine listening post, between the Atlantic and Indian Ocean sea lanes, may have been Mr. Gerhardt's most significant contribution to Soviet intelligence.

Silvermine, built and paid for by NATO and opened in 1973, is one of the world's most modern surveillance and communications centers. It watches sea traffic as it rounds the Cape of Good Hope and a swath of ocean from North Africa to the South Pole and from South America to the Bay of Bengal.

Sources said the first tip that Mr. Gerhardt was working covertly for the KGB came from Mossad, Israel's intelligence agency, which traced leaks about evolving ties between Israel and South Africa to Mr. Gerhardt.

While Mr. Gerhardt was Simonstown commandant, sources said, Mossad agents followed him and Ruth on at least two of their annual vacations to Western Europe, where they switched planes in three cities before flying to Moscow on Canadian and British passports.

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The Global Newspaper.

U.S. Democrats Expect Gains in Senate, but Republicans Say They'll Retain Control

By Helen Dewar
Washington Post Service

WASHINGTON — Republicans are expressing more confidence about retaining control of the Senate in this fall's elections, but Democrats are still anticipating a large enough gain to reduce the Reagan administration's ability to push its legislation through the chamber.

Whether Democrats can win the five or six seats necessary to gain control next year is doubtful. A key Democratic aide rates the chance at 40-60, while Republicans say it is substantially less.

It would take a gain of six seats for the Democrats to regain control if the vice president, the Senate's tie-breaker, is a Republican. If the vice president is a Democrat, it would take a gain of five seats.

Since the start of the year, Republican prospects apparently have dimmed for one vulnerable seat — Roger W. Jepsen's in Iowa — but appear to have brightened in

North Carolina, Mississippi, Texas and Massachusetts.

Because of big gains six years ago, Republicans are defending 19 of 35 seats at stake this year, including some in states that are traditionally Democratic or wavering in their loyalties.

So, if things start going their way, Democrats are well-positioned to make major gains, even to wipe out the Republicans' 10-vote Senate margin.

Recent poll results and interviews with campaign officials indicate an uphill drive for the Democrats under current circumstances, however, which include economic recovery in most regions and a healthy lead for President Ronald Reagan in most polls.

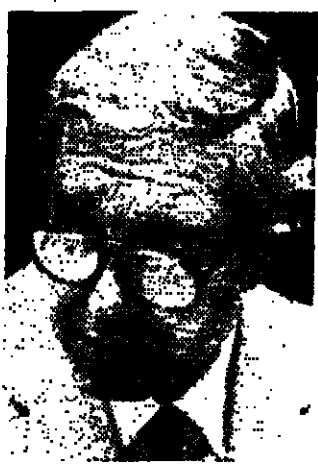
Early soundings do indicate that the Democrats may add enough seats to make a real charge toward a majority in 1986, when Republicans will be at even more of a disadvantage, defending 22 of 34 seats at stake then.



Elliot L. Richardson



Phil Gramm



Charles H. Percy

It is also possible that any shrinkage of the Republican majority, especially among those most loyal to Mr. Reagan, could spell difficulty for him in a second term. This year, if there had been fewer Mr. Reagan stalwarts in the Senate,

Democrats and a small band of Republican moderates could have carried several critical votes, especially on budget issues.

A half-dozen or more Republican seats are in varying degrees of jeopardy, while Democrats have

only one seat that Republicans are favored to win.

Two Republican seats are at risk because of the retirement of popular incumbents, and one is almost certain to fall into Democratic hands: that of Howard H. Baker Jr.

of Tennessee, the majority leader. Two others are no better than even bets; several others are shaky.

Richard G. Lugar of Indiana, chairman of the National Republican Senatorial Committee, speaks of holding 53 seats, two short of the party's majority in the 100-member Senate now and one seat more than he was claiming a few months ago.

Lloyd M. Bentsen of Texas, chairman of the Democratic Senatorial Campaign Committee, still contends that Democrats have an even chance of regaining the control they lost four years ago in the Reagan landslide.

Mr. Bentsen said he was counting on gaining three to seven seats. The minority leader, Robert C. Byrd of West Virginia, was less bullish. "I have no doubt we'll make some gains," Mr. Byrd said. "It's conceivable we'll make enough."

Since late last year, polls have indicated that Republican prospects have dimmed in one state but brightened in at least three others,

with prospects for several other seats uncertain, as before.

The latest Iowa Poll, conducted by The Des Moines Register last month, showed Mr. Jepsen running 16 points behind his Democratic challenger, Representative Thomas R. Harkin.

In North Carolina, Jesse Helms has rebounded from a 20-point deficit in the polls and is considered to be running at least even with his Democratic challenger, Governor James B. Hunt Jr.

Polls in Massachusetts indicate that Elliot L. Richardson, a Republican who has held four cabinet posts, leads all prospective Democratic candidates for the seat of Paul E. Tsongas, who is retiring.

In Mississippi, Thad Cochran, a Republican, has been more than holding his own against former Governor William F. Winter, a Democrat.

Even in Texas, where Democrats have been on a rebound and the retirement of John G. Tower, a Republican, raised their sights even

higher, Republicans believe that the apparent razor-thin victory of Lloyd Doggett, a liberal, over Representative Kent Hance, a conservative, in the recent Democratic election runoff will improve chances for their candidate, Representative Phil Gramm.

In Illinois, some Republican strategists regard Charles H. Percy as one of their most vulnerable incumbents. Representative Paul Simon, his Democratic opponent, is a strong contender, poised to cut into some of Mr. Percy's traditional sources of support.

Eagleton to Retire in '86
Senator Thomas F. Eagleton, Democrat of Missouri, announced Monday that he would not seek reelection when his term expired in 1986. The Associated Press reported from St. Louis.

Mr. Eagleton, 54, whose past mental health problems forced him from the Democratic presidential ticket led by George S. McGovern in 1972, said he has had "a full and complete public career."

A Plank on Nuclear Arms May Be Near for Democrats

Compiled by Our Staff From Dispatches

WASHINGTON — Walter F. Mondale, Gary Hart and Jesse L. Jackson are near a consensus on a plank for a nuclear strategy for the Democratic Party's platform, according to Senator Alan Cranston of California.

Senator Cranston said in a letter to Representative Geraldine A. Ferraro of New York, chairman of the Democratic Party platform committee, that after consultations with the three Democratic candidates he saw no "major issue barring a strong party consensus behind a nominee committed to a four-point plan." The four points are the following:

• "On the day he is inaugurated, the president would announce a 'quick freeze,' under which the United States would halt nuclear testing and selected weapons deployment, to be observed as long as the Soviet Union maintained a parallel, verifiable halt and negotiated on a more enduring basis.

• Seek a "prompt summit" with Soviet leaders to work out an agreement on treaties to implement a comprehensive and verifiable nuclear freeze and propose regular contacts between the leaders of the two countries.

• End spending on "bargaining chips," like the MX missile and chemical warfare, and pursue a mutual, verifiable end to the spread of the arms race into space.

• "Make the reduction of the nuclear war threat the paramount goal of his government" through better communications and efforts to stop the nuclear proliferation.

The California senator's letter was dated June 7 and released Monday.

Also Monday, Mr. Hart urged the platform committee to embrace "new departures," saying the party would not deserve to win the White House if its only campaign theme was reversing Reagan administration budget cuts.

"An earlier status quo is not a sufficient program to take before the American people," Mr. Hart said. His testimony echoed his campaign theme that Mr. Mondale, who has claimed a majority of national convention delegates needed for nomination, represents the party's past.

The Colorado senator made it clear he has not given up his quest to be the party's presidential contender, using phrases such as "I elected" and "under a Hart administration." (UPI, AP)

Many Democrats Say They'll Back Reagan Again

By Steven V. Roberts

New York Times Service

NEW YORK — Sandy Simpkins is a lawyer in Waco, Texas, a Democrat who voted for Jimmy Carter in 1980. This fall, she says she intends to vote for Ronald Reagan.

"My reaction to Reagan in 1980 was that he was very reactionary," Miss Simpkins said. "I thought he would take things backward, and wouldn't do the economic reforms that he promised. But he's done them. Prices have stabilized, and the economy actually seems to be recovering."

A Republican would be hard put to win the presidency with only Republican votes. In 1980, Mr. Reagan fashioned his victory by cutting deeply into traditional Democratic blocs and taking 25 percent of the Democratic vote.

In the primary season just completed, interviews with hundreds of Democratic voters indicated that the president may have a chance to duplicate that performance this year.

Gene Boyd, a savings and loan association executive in Anniston, Alabama, voted Republican for the first time in 1980, and he says he will vote Republican again this year.

"Look at the president's track record," Mr. Boyd said. "Look at the excellent job he's done keeping inflation down. I've seen a tremendous improvement in business in the last 18 months."

The impressions of these two

voters are supported by the latest New York Times-CBS News Poll, which showed that nationwide, 29 percent of Democrats approve of Mr. Reagan's performance, half the number who disapprove. Among those who think their family financial situation has improved under the Reagan presidency, the approval rating increases to 38 percent.

However, the uneven nature of the economic recovery has led other voters to the opinion that Mr. Reagan has not improved their lives but made them worse.

In Huntington, West Virginia, the jobless rate is double the national average, and Frank Ball, a stockbroker, has been out of work for most of the last two years. Like many of his friends, Mr. Ball backed Mr. Reagan in 1980, but this year he says that he will return to the Democratic fold.

Speaking of his vote four years ago, Mr. Ball commented recently: "I've been praying ever since for God to forgive me."

In Pittsburgh, Joe Coltellaro, a telephone repairman, said: "You look around, and you don't see any smoke anywhere. None of the mills are working, and nobody cares. I voted for Reagan in 1980 and he disappointed me. I thought he'd put people back to work, help the mills out, but he never addressed that problem."

While economic improvement seems the main reason some Democrats back Mr. Reagan, he also runs strongly among voters who

feel the president has restored U.S. pride and honor in the world.

Mr. Reagan's campaign for so-called "social issues," such as the restoration of prayer in the public schools, has failed to win votes on Capitol Hill, but it has won him the support of Democrats like Sam Morse, who sells wholesale groceries in the coal towns of West Virginia.

"I like his moral issues," Mr. Morse said. "They carry a lot of weight in this part of the country."

Other Democratic voters see Mr. Reagan simply as a sincere, hard-working man who does his best.

"I'm leaning toward Reagan right now," said Edith Ashley, a West Virginia homemaker. "Some times he looks too optimistically at things, but at least he tries to be a good president."

Moreover, many voters express a deep desire to see a president, even a Republican, succeed at his job. After watching five presidents in a row fail to complete eight years in office, these Democrats seem willing to give Mr. Reagan the benefit of the doubt.

"I think we ought to stay with the status quo; Reagan needs more time to get on his feet," said Mary Lockwood, who works for a personnel agency in Waco.

But some Democrats who backed Reagan in 1980 do not feel so good about his presidency. Many of them believed that he was not a typical Republican, that he really cared about working people

like them, and now they are expressing disillusionment.

"I voted for Reagan the last time, but never again," said Jean Trowbridge, a restaurant hostess in Rockford, Illinois.

Moreover, many Democratic defectors in 1980 were expressing their unhappiness with the Carter administration, not their support for the Republicans, so they feel little loyalty to the man they helped elect. Donna Heid, an investment counselor in Rockford, explains her return to the Democrats this way: "I voted Carter out, not Reagan in. There's a difference."

Mondale at Least Once To Get Presidential Suite

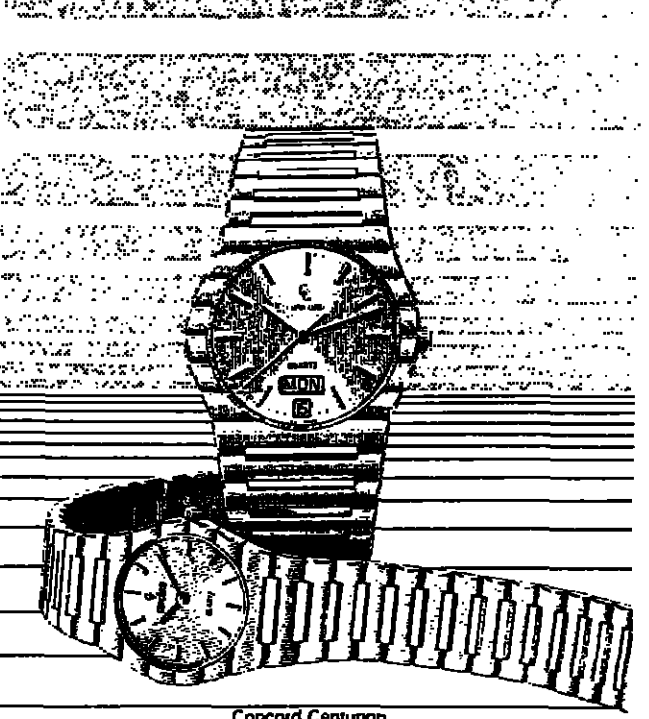
The Associated Press

SAN FRANCISCO — If a hotel room is any indication, Walter F. Mondale will get his party's presidential nomination.

Mr. Mondale will be staying in a presidential suite at the new Hotel Meridian when the Democrats hold their national convention here July 16-19.

His rival, Senator Gary Hart, will stay in the St. Francis Hotel, but not in the \$1,300-a-night presidential suite.

And there's no presidential suite for the Rev. Jesse L. Jackson, either. Mr. Jackson, who collected the third highest number of delegates, will be staying in "luxury accommodations" at the Hyatt Union Square.

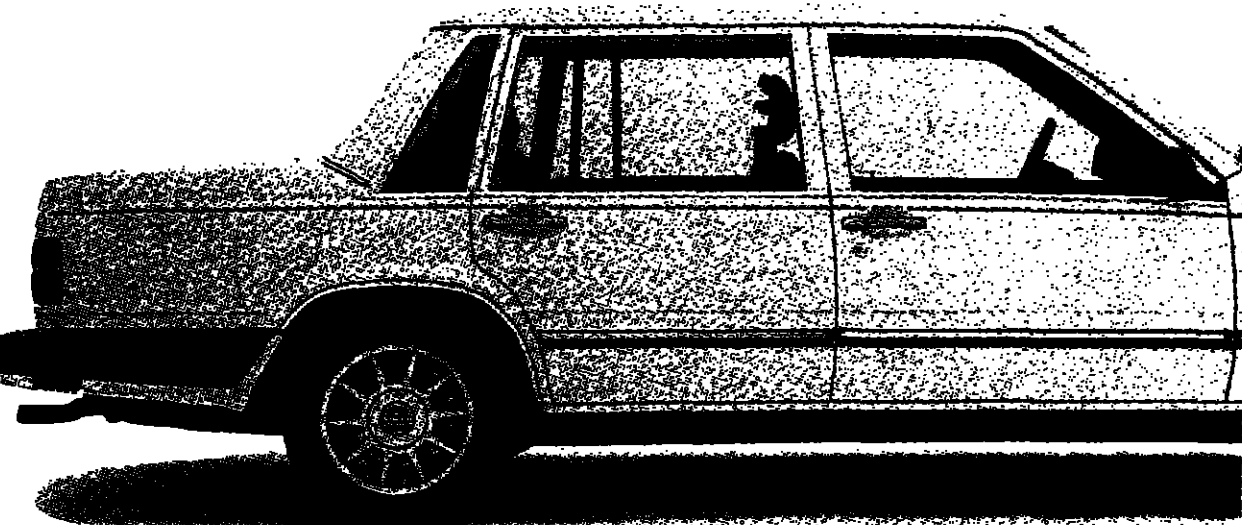


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Central America Pact Drafted

U.S., Russia Would Be Invited to Sign Protocol for Region

By William R. Long
Los Angeles Times Service

SAN SALVADOR—Announcing a "new stage" in Central American negotiations, the Contadora mediation group has presented a draft peace agreement to the region's governments.

The document includes a protocol that the United States, the Soviet Union and other outside countries would be invited to sign once a Central American agreement was reached.

The protocol's purpose would be to assure the commitment of interested countries outside of the region to the peace agreement, according to Foreign Minister Rodrigo Lloreda of Colombia. The Contadora group includes Colombia, Mexico, Panama and Venezuela.

Mr. Lloreda said that the visit by Secretary of State George P. Shultz to Nicaragua on June 1 was a positive development "that definitely can be a great contribution to our peace efforts."

The visit by the U.S. official, he said, "reopens the possibility of dialogue" between the Reagan administration and Nicaragua's Sandinist government.

Mr. Lloreda and the foreign ministers of Mexico, Panama and Venezuela delivered a copy of the draft peace accord Sunday to President José Napoleón Duarte of El Salvador. On Saturday, they presented it to the leaders of Costa Rica, Nicaragua, Honduras and Guatemala.

Last September, the Contadora group, which takes its name from the Panamanian island where the four nations began their Central American mediation efforts in January 1983, made public a 21-point declaration of objectives that had been initiated by representatives of each of the five Central American countries.

One of the principal stated objectives is the withdrawal of all foreign military trainers and advisers from Central America. Nicaragua has military advisers from Cuba and other Soviet-bloc countries, and El Salvador and Honduras have U.S. military trainers.

The 21 objectives also include the elimination of arms trafficking and other action by guerrilla forces and a ban by the Central American countries on the use of their territories as bases for staging military attacks on neighboring nations.

The text of the draft agreement, which is formally called the Contadora Act for Peace and Cooperation in Central America, has not been made public, but it presumably contains the main elements of the 21 objectives.

In January, the Contadora group and the Central American coun-



Foreign ministers of the Contadora group arrived in El Salvador for talks on a draft peace plan for Central America. From left to right, they are Foreign Ministers Isidro Morales of Venezuela and Rodrigo Lloreda of Colombia, Vice President Rodolfo Castillo of El Salvador, President José Napoleón Duarte of El Salvador, Foreign Minister Eduardo Teodoro of El Salvador, Bernardo Sepúlveda Amor of Mexico and Oydén Ortega of Panama.

Colombia, Vice President Rodolfo Castillo of El Salvador, President José Napoleón Duarte of El Salvador, Foreign Minister Eduardo Teodoro of El Salvador, Bernardo Sepúlveda Amor of Mexico and Oydén Ortega of Panama.

adopted by consensus in the commission.

"In cases where a definitive agreement could not be reached," the letter said, "language was drafted that aims to reconcile the different criteria."

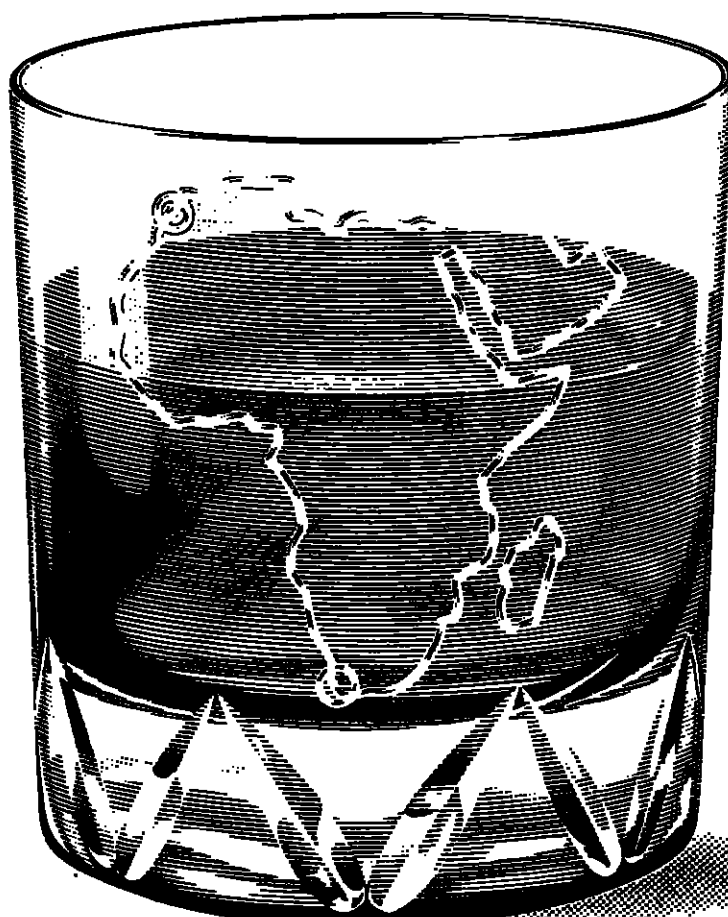
It said that the document contained provisions for a "verification and monitoring commission" that would serve as a "mechanism for assuring compliance with the different aspects" of the agreement.

No Time Limit Set

Mr. Duarte said after a 90-minute meeting with the foreign ministers that no time limit had been set for concluding work on the proposed treaty. United Press International reported from San Salvador.

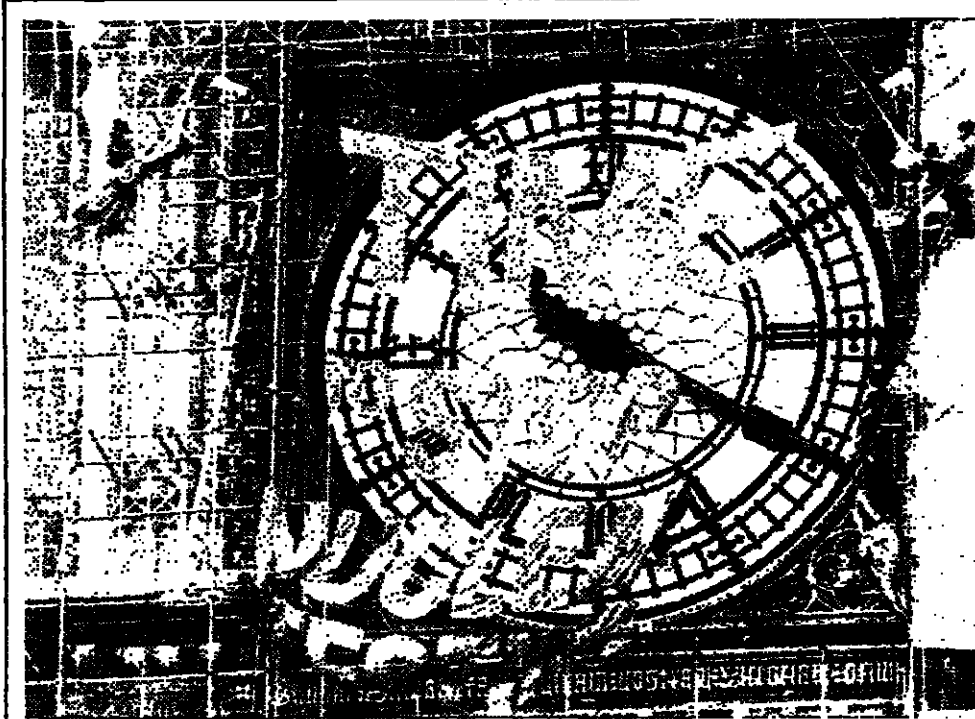
He said at least seven more steps remained before a final version of the peace treaty could be drawn up, including a series of meetings with El Salvador and with "democratic groups" in Central America.

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NUCLEAR PROTEST—Two members of the environmental Greenpeace movement climbed to the face of Big Ben, the clock tower of Britain's Parliament, Monday to urge a halt to nuclear testing. Ron Taylor, 30, of Britain, and Renato Ruffi, 26, a Swiss-American, who have a week's supply of nuts, raisins and water, vowed to stay in their hammocks until they got a reply to a letter sent to Prime Minister Margaret Thatcher.

Canadians Likely to See A Tilt Toward the Right

By Douglas Martin
New York Times Service

TORONTO—This week a convention in Ottawa of Canada's governing Liberal Party will begin with a look backward.

If all goes as planned, six spotlights will follow the outgoing prime minister, Pierre Elliott Trudeau, as he strides down a red carpet to his seat. A 17-year-old Quebec singer will sing a song entitled

NEWS ANALYSIS

"Thank you Mr. Trudeau" and a 70-minute film will honor the career of the Western world's longest-serving leader.

The convention will look ahead to a different Canada when it gets down to the business of choosing a new leader. Whoever wins the Liberal leadership and whether or not that man defeats the Progressive Conservatives in the next election, Canada is likely to take a step to the right.

The fields of interest of the two future successors provide ample indication that Mr. Trudeau's preoccupation with such issues as French language rights and the position of French-speaking Quebec in the Canadian confederation will fall largely by the wayside. His flirtation with economic nationalism, which has antagonized the Reagan administration and American businessmen, are already being discussed in the past tense.

As far as politicians are concerned, the business of Canada will likely be just that—business. This is apt to go down well with the 11.7 percent of the labor force that is unemployed.

Part of the reason for the return to bread-and-butter issues is that until recently, the two men with the best chance of succeeding Mr. Trudeau as prime minister were in business, not politics.

The likely next Liberal leader is John N. Turner, who was a politician and finance minister until he became a wealthy corporate lawyer nine years ago. In an election this summer or fall, he would face a Progressive Conservative Party run by Brian Mulroney, until a year ago the president of the Iron Ore Company of Canada.

Late last week, polls indicated that Mr. Turner was the first ballot choice of 45 percent of the 3,500 Liberal delegates, well ahead of the minister of energy, Jean Chrétien, who was favored by 26 percent. Mr. Chrétien, a French-speaking Quebecer, is a much-liked politician, but he is hampered by a party tradition that calls for alternating English-speakers and French-speakers. Mr. Trudeau, although he had an English-speaking Canadian mother, comes from Montreal and is considered a French Canadian.

There are other candidates, but most analysts consider Mr. Turner a shoe-in. If he wins, he will automatically become prime minister, although without a seat in the House of Commons.

Mr. Turner is comfortable in a position considerably to the right of Mr. Trudeau. He favors drastic

action to cut the federal deficit, reduced federal involvement in the enforcement of language laws, a weakening of some of the more austere provisions of the controversial policy of "Canadianization" of the oil and gas industry and closer relations with the United States.

Mr. Mulroney's views on all of these issues do not seem very different, although he has encountered mounting criticism for failing to offer specific solutions.

"Both Mulroney and Turner have an understanding of business and the realities of this world having to do with other things more important, like defense," said Paul Robinson, U.S. ambassador to Canada and a former businessman, in recent remarks that drew criticism as an intrusion in Canada's internal affairs. "The emotionalism of Canadianization has been tempered by the realities of jobs," he said.

Until a few months ago the Tories were considerably ahead in the polls, but two recent surveys indicate a strong Liberal comeback. CROP, a Montreal polling organization, shows the Conservatives leading the Liberals 46 to 41 percent; a year earlier the Conservatives led 52 to 31. The Gallup poll shows the Liberals coming back even more strongly and now leading the Conservatives 46 to 40 percent. A year earlier Gallup showed the Conservatives at 50 percent to the Liberals' 32.

The Liberal gain, linked by most observers to the publicity surrounding the leadership race, may be an incentive for the new leader to call an election as early as August rather than wait until later in the year.

A big factor in the electoral outcome will be the Tories' ability to break the Liberal stronghold over Quebec. The Tories now hold just one of 75 seats in the province but they talk of picking up as many as 40. Liberals are resigned to losing up to a dozen.

Bernard Valéry, Correspondent, Dies at 71 in Paris

International Herald Tribune

PARIS—Bernard Valéry, 71, longtime Paris correspondent for the New York Daily News and twice president of the Anglo-American Press Association of Paris, died Monday after surgery following a heart attack.

Born in the Georgian region of Russia before the Revolution, he was brought to France as a child and became a French citizen. He was a foreign correspondent for the daily Paris Soir in Tokyo during the late 1930s for The New York Times and Reuters in Stockholm during World War II and for the Daily News from the early 1950s until 1981. He was an officer of the French Legion of Honor.

Other deaths: Ernest W. McFarland, 89, a former Democratic U.S. senator from Arizona who was the Senate majority leader from 1951 to 1953, Friday of congestive heart failure in Phoenix. He served in the Senate from 1941 to 1953. He also served as governor of the state in 1955 to 1959.

Fowler Hamilton, 73, a founding partner of the international law firm of Cleary, Gottlieb, Steen & Hamilton and director of foreign aid under President John F. Kennedy, Thursday in Greenwich, Connecticut, after a short illness.

J. Paul Lye, 67, retired chairman and chief executive officer of the Sperry Corp. and chairman of the President's Export Council, Thursday in New York.

Ernst Haueusermann, 68, a stage director who worked with Max Reinhardt in the United States as an exile during World War II before returning to help reconstruct the Austrian theater, Monday in Vienna.

William Thomas Beebe, 69, who retired last year as board chairman of Delta Air Lines, of a heart attack Saturday after surgery in Atlanta.

Computer Crime Rising Dramatically

By Fred Barbash

WASHINGTON—A committee of the American Bar Association has said in a study that computer-related crime now rivals white collar crime in cost and seriousness.

It said that it was getting worse with the spread of computer technology, the absence of deterrents and the frequent treatment of computer law-breakers in the press as whiz kids.

The committee concluded that the "need for federal computer crime legislation is clear and unmistakable."

It would give prosecutors a specific statute to use against computer criminals instead of requiring the prosecutors to stretch current laws, the report said. It would also help reduce the notion that computer crime is some sort of a harmless game or even an intellectual challenge, the committee said.

The report of the computer crime task force of the association's criminal justice section was based on a survey of 283 corporations and government agencies.

Among the conclusions were the following: About 48 percent of those surveyed reported some form of computer crime within the last year with total annual losses estimated to be \$145 million to \$730 million. The estimates are described as "conservative," because the respondents were asked to report only "known and verifiable" incidents.

• The most significant types of crime involving computers were thefts of assets, including software; embezzlement of funds; defrauding of consumers and investors; and destruction or alteration of data and software.

• The lawbreakers, where identified, have most frequently been people employed inside an organization. But 45 percent of the crime victims reported that outsiders were responsible. Among the outsiders were consultants, customers, competitors and individuals with no previous relationship with the organization.

• The motive, where identifiable, is usually personal financial gain. But another significant impetus has been "the intellectual challenge" associated with computer crime.

• The survey responses reflect a concern that we are developing a culture of young computer users who are challenged to use computers to the ultimate extent possible, with little or no regard for the property or privacy of others.

• These young users, the report said, "are encouraged by their peers and by the role models that they see treated as 'whiz kids' and 'heroes' by the media, to push technology to the limit, without any balancing of legal or ethical considerations in computer use."

One of the biggest problems found by the committee was that organizations often do not know who committed a computer crime. Many do not even know when a computer crime has been committed and have no way of monitoring their systems to detect crime.

There is a "gap between computer technology generally and computer security technology," the study said. "This gap, or lag, between the two seems to be increasing."

'Inevitable' Illegal Evidence Is Ruled Admissible in U.S.

(Continued from Page 1)

the suspect to help him locate the young victim's body.

The detective, knowing of Mr. Williams' religious fervor, said the girl should receive "a Christian burial."

Mr. Williams then led police to the corpse, which had been dumped beside a gravel road outside Des Moines.

Mr. Williams was convicted and sentenced to life.

But in 1977, the Supreme Court ruled, 5-4, that Mr. Williams should get a new trial because the police questioning that led to the girl's body violated Mr. Williams' Sixth Amendment right to have a lawyer present during interrogation.

On Monday, the Supreme Court agreed with that reasoning, overturning a 1983 ruling by the U.S. Circuit Court of Appeals that threw out the conviction and ordered a third trial for Mr. Williams.

The high court ordered the appeals court to reinstate Mr. Williams' conviction.

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Zimbabwe Puts Troops On Deserted Ranch Land

New York Times Service
BULAWAYO, Zimbabwe — The Zimbabwe government planned to open a campaign Monday to reassert control over more than 600,000 acres (about 243,000 hectares) in southern Zimbabwe that have been abandoned by white ranchers fearful of rebel attacks, according to officials and ranchers in the area.

Prime Minister Robert Mugabe's government will send army and police units to the huge cattle ranches to keep them operating in the face of rebel attacks, the officials said.

The operation in southern Matabeleland is designed to counter the rebel strategy of exploiting the sensitive land issue among impoverished black farmers in Matabeleland.

The government's land resettlement plans in Matabeleland have failed, according to government sources, primarily because the rebels terrorized those taking part in the project.

Most of the dissidents are followers of the opposition leader Joshua Nkomo. The dissidents complain of unfair treatment by Mr. Mugabe's Shona-speaking supporters.



A Zimbabwe soldier on patrol in southern Matabeleland in May.

porters against the minority Ndebele-speaking people, who are concentrated in Matabeleland. Guerrilla forces of Mr. Mugabe and Mr. Nkomo fought separately in the war in the 1970s against the white minority government of Rhodesia, as Zimbabwe was then known. Zimbabwe came into existence in April 1980.

In Matabeleland, day-to-day life appears to be returning to normal. There has been an army curfew since February, when hundreds of civilians were beaten and several people were killed by the army.

"Land has always been the bone of contention here," said Max Rosenfeld, a white rancher and an independent senator. "The basic issue of the war was over land ownership."

He said the poor black farmers wanted the land taken by the white colonial settlers to be returned. The dissidents made targets of white ranchers in the Matabeleland areas of Kezi and Marula. After the killing in December of a white ranching couple and their two children, all of the roughly 40 other commercial ranchers in the two districts fled.

He said the poor black farmers wanted the land taken by the white colonial settlers to be returned. The dissidents made targets of white ranchers in the Matabeleland areas of Kezi and Marula. After the killing in December of a white ranching couple and their two children, all of the roughly 40 other commercial ranchers in the two districts fled.

New 'Campaign of Terror' Seen in Libya

The Associated Press
LONDON — A Libyan exile group has claimed that the security police of the Libyan leader, Colonel Muammar Qadhafi, have arrested 3,000 people and executed seven this month in "a fresh campaign of terror and murder."

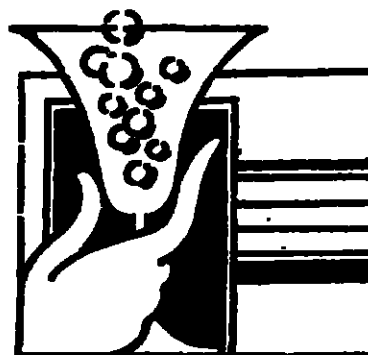
A statement from the National Front for the Salvation of Libya said, "There is no doubt that the

regime has now adopted a policy of deliberate and systematic extermination of people considered to be hostile to its rule."

The Front, which claimed responsibility for an unsuccessful coup attempt against Colonel Qadhafi on May 8, said the persons detained included teachers, students, businessmen, Islamic religious instructors, army officers and government employees.

The seven persons executed were not given trials and some were put to death in their own neighborhood streets in "the forced presence" of close relatives, the group said. The group called on governments and human rights organizations "to condemn these barbaric murders and intervene immediately to stop the genocide that Qadhafi has officially organized in Libya."

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Maputo Says Rebels Still Receiving Outside Aid

By Allister Sparks

Washington Post Service

MAPUTO, Mozambique —

More than two months after signing a mutual nonaggression treaty with South Africa, senior members of the Mozambican government charge that supplies and reinforcements for guerrillas operating in their country are continuing to come across the border.

They say the rebel activity has intensified since the treaty was signed March 16, extending into two more provinces, Nampula in the north and Maputo in the south, and threatening to isolate the capital.

The guerrilla movement, called the Mozambique National Resistance, is now active in nine of Mozambique's 10 provinces. It is thought to have at least 10,000 insurgents in the field. The government claims the movement was founded by Ian Smith's white-minority regime in Rhodesia, then taken over by South Africa when Rhodesia became independent under black rule as Zimbabwe in 1980.

The rebels are disrupting Mozambique's socialist economy, already in trouble because of droughts, cyclones, floods and mismanagement.

It was because Mozambique had become desperate for relief from the *banditos*, as they are called here, that the Marxist government of President Samora Machel agreed to sign the mutual nonaggression treaty, known as the Nkomati accord, with South Africa.

Under the treaty, South Africa agreed to end support for the rebel group. For its part, Mozambique agreed to prevent the black South African nationalist movement, the African National Congress, from using its territory to launch guerrilla attacks in South Africa.

Officials in Maputo are now saying that while they have clamped down on the African National Congress, sending about 800 members out of the country and reducing its presence in Mozambique to a 10-man "diplomatic-style" office, the Mozambique National Resistance activities have escalated.

The Mozambicans are reluctant to accuse South Africa of violating

the treaty, however, preferring to blame free-lance agents and possibly renegade elements in the South African Defense Force.

In part, this may reflect an unwillingness on the part of the Mozambicans to jeopardize the treaty. In their difficult situation, they are relying on it not only to end the *bandito* activities but also to develop trading relations with South Africa.

"The South African government is, in my opinion, committed to both the spirit and the letter of the Nkomati accord," said Jacinto Veloso, a senior cabinet minister, in a recent interview here. "At the same time," he said, "there can be no doubt that fresh support has come in for the *banditos*."

Mozambique cannot prove conclusively that this support has come from the South African side of the border. Mr. Veloso said, but information from captured rebels indicates that they have received substantial supplies recently.

Mr. Veloso confirmed that Mozambique had raised the issue with South Africa, but he would not disclose what had been said about

it at a meeting of a joint monitoring commission of the two countries in Pretoria May 25. He noted with satisfaction that Prime Minister Pieter W. Botha had issued a statement two days later reaffirming South Africa's commitment to the nonaggression treaty.

Other Mozambican sources are more specific in their accusations. Officials and other sources close to the Machel government say there is evidence that South Africa airlifted supplies to the rebels in the last days before the agreement was signed.

Since March 16, these sources claim, two loads of arms and ammunition have been landed by sea north of the central Mozambican port of Beira. A top government official also says there have been five or six night flights over regions where supply drops have been made in the past. He is careful to note that the identity of these aircraft is unknown.

These sources also say there appears to have been an infiltration of freshly trained guerrillas near the capital, which has been free of insurgent attacks until now.

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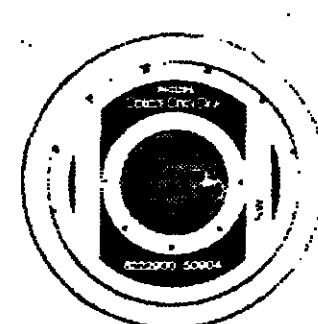
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The New York Times

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Officials Seek Major Changes In Schools in New York Area

By EDWARD B. FEESE
 School boards after the National Commission on Excellence in Education issued its report on improving public schools, officials and political leaders in New York, New Jersey and Connecticut are fashioning major changes in the way their schools are run. Governors of these three states have announced plans to study the report and to develop recommendations for improving the quality of education. The commission's report, issued last April 21, is the most comprehensive study of the nation's schools since the 1983 report of the National Academy of Sciences. The report calls for a major restructuring of the way schools are run, including the creation of new types of schools, the restructuring of school districts, and the creation of new types of school governance. The report also calls for a major restructuring of the way schools are run, including the creation of new types of schools, the restructuring of school districts, and the creation of new types of school governance.



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A History Lesson on Oil

President Reagan told the eminent politicians gathered in London that another cycle of soaring oil prices and inflation is not inevitable. Even with a widening war in the Gulf and, possibly, disruption of the world's oil supplies, the seven largest industrial democracies are not necessarily fated to repeat the disasters of the 1970 oil shortage.

Do governments ever learn from history? Certainly, and the conversations at the London summit conference demonstrate it. In early 1979, when the Iranian revolution had suddenly cut the world's oil supply by several million barrels a day, the U.S. Energy Department got the American oil companies and the major industrial countries abroad to take the pledge of restraint. But as markets tightened that winter, some of the traders began to get frightened and to bid up the prices. With the West Germans and the Japanese in the lead, the bidding roared upward.

By spring, with gasoline lines beginning to form in the United States and the American share of world imports falling, the Energy Department finally abandoned its position and told the American companies to join the bidding and get what they could. At the beginning of 1979, a barrel of oil had cost a bit under \$14. A year later it was double that and still rising fast. Among the consequences were, in chronological order, an enormous worldwide surge of inflation, a deep recession, and the

Latin American debt crisis. The inflation and the recession had a good deal to do with the failure of President Jimmy Carter's campaign for re-election. No doubt that was in his successor's mind when he went to London.

But Mr. Reagan has one weapon that Mr. Carter did not. He has 400 million barrels of oil in the strategic reserve that Mr. Carter had begun to build. Mr. Reagan told the other six leaders that he would use that reserve forcefully to stabilize markets. His purpose was not only to reassure the other six politicians but to warn the hordes of speculators who are waiting hungrily for the first twitch in prices. It is urgent to demonstrate to the world that the system works.

Mr. Reagan always makes the other six apprehensive when he talks about leaving things to the free market. That is fine as long as he is talking about the domestic market, meaning that he will not resort to price controls, which aggravate inflation, or allocations, which aggravate the shortage. But if free marketeering means leaving the world price to the hysteria of speculators, with increasingly frantic governments behind them as in 1979, that is dangerous. Mr. Reagan seems to be making the right distinction. He is suggesting that, if oil supplies drop this year, there may be vigorous intervention by the U.S. government. That is drawing the right lesson from recent history.

—THE WASHINGTON POST.

Choices on the Deficit

A deficit reduction program put out last week by the Brookings Institution shows the extent to which Ronald Reagan has changed the terms of national debate. Only a decade ago, the liberalism for which Brookings scholars were famous so exasperated Charles Colson, a Nixon adviser, that he fantasized about firebombing the place. Now a group of Brookings economists has outlined a program that espouses the major themes of Reagan administration policy: domestic spending must continue to shrink, military spending must continue to grow, taxes on investment must be cut.

The Brookings economists, led by a former Congressional Budget Office director, Alice Rivlin, do disagree with the administration on two central points — where the deficits came from and how important they are. Official White House policy fluctuates between blaming the deficits on prior administrations or Congress, and playing down their importance. One table in the Brookings study sets the question of the deficits' origins to rest. It shows that if Carter administration policies, including a substantial defense buildup, had been continued, the federal budget would have been almost in balance by 1988. Instead, under Reagan policies, which Congress decisively accepted, the deficit will continue to grow to about \$300 billion by the end of the decade.

But even that projection assumes high, continued economic growth. A less optimistic forecast would, of course, mean still higher deficits. And, as the study makes clear, with government absorbing a very high proportion

of national savings, the nation is unlikely to experience seven years of uninterrupted economic tranquility. To forestall the high interest rates, declining exports and rising unemployment that big budget deficits are likely to produce, the authors propose that over the next five years domestic programs be cut by about \$170 billion. Military spending would continue to grow, but at a slower pace (and according to a better-reasoned plan) than proposed by the administration.

Unlike the administration, the Brookings plan faces up to the fact that, even with these savings, higher taxes would still be needed. For fast action, an income-tax surcharge would be imposed, perhaps with additional closings of loopholes. For longer-run reform, however, the authors propose to replace the current income tax with a new tax imposed only on income spent rather than invested. That should appeal to the business community, especially since the high gift and estate taxes that the plan relies upon to curb the accumulation of great wealth are unlikely to be adopted.

The Brookings plan is useful because it demonstrates that, enormous as currently projected deficits may be, they could be eliminated by measures that fall within the range of the politically possible. Possible, but not probable. The Brookings plan depends on Congress's taking strong steps early next year. But you do not hear any of the presidential candidates talking in the strong and specific terms that would be needed to lead such action.

—THE WASHINGTON POST.

The Dirty Little Secret

Torture is the dirty little secret of modern politics. Its victims are punished not only for real or imagined crimes, but also because they know the secret. They die, "disappear," or languish in jail for years to prevent their bearing witness against the degrading use of technology to smash bodies and bend minds.

In Uruguay, for example, why else has Hiber Conteris been denied a fair trial in open court? A Methodist minister, Mr. Conteris, 50, was arrested in 1976 on his return from a conference in Europe. He was charged with "assault upon the constitution" and "criminal" association with suspect subversives. To secure a confession, he was hung from the wrists, burned and submerged in sewage.

After a trial in which he was forbidden to choose his own lawyer, he was sentenced to 15 years, plus five years for "security."

Satisfied that he never advocated or engaged in violence, Amnesty International has adopted Mr. Conteris as a prisoner of conscience.

When 107 U.S. senators and congressmen signed a plea in his behalf, Uruguay's only response was to repeat the vague charges.

His plight is commonplace in Uruguay, long a stable democracy but under military rule since 1973. In a country of three million, there are 800 political prisoners — the highest ratio anywhere. Torture is routine. At least 96 prisoners have died in custody.

The armed forces originally seized power to subdue a violent, lawless leftist insurgency. That threat ebbed long ago, and elections are supposed to be held in November. But the best-known opposition leader, Wilson Ferreira Aldunate, has been denied a chance to participate. His announcement that he plans to return from Argentine exile has already prompted a fresh round of arrests.

The miserable cycle threatens to continue: detention, torture, fake trial, imprisonment. A high price for the dirty little secret.

—THE NEW YORK TIMES.

Other Opinion

The Dutch Missile Decision

Everyone knows that we are now committed to do more than ever before. And any reaction by the Soviet Union to our conditions is more than welcome. That's not only a matter of interest to the Dutch but to all of NATO. It is in the interest of the alliance that the arms-control negotiations can be strengthened.

So if Holland with its 48 cruise missiles can get the Soviet Union to cut back its buildup, or

to stop it, we will be serving the interests of the Western Alliance. It is a mistake to think that both sides have to deploy as many missiles as possible. Let's be philosophical. If people think that the Dutch decision means nothing to the Soviet Union, I say that our decision has deprived the Soviet Union of a propaganda tool. It is not the Dutch who are embarrassed, but the Soviets.

—Rud Lubbers, prime minister of the Netherlands, in a Newsweek interview.

FROM OUR JUNE 12 PAGES, 75 AND 50 YEARS AGO

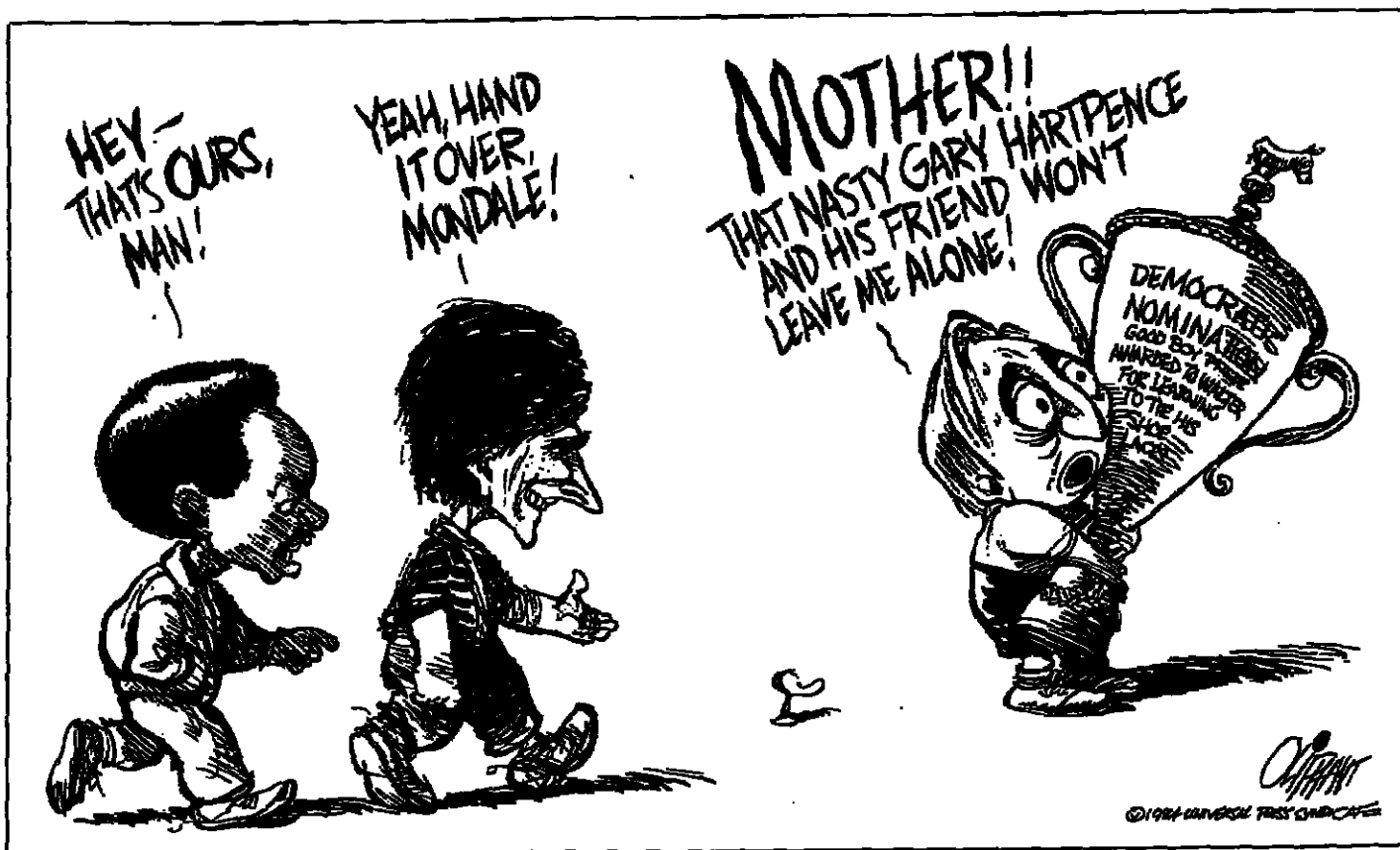
1909: Taft's Far East Foreign Policy
WASHINGTON — The foreign policy of the Taft administration, it will be seen, is not European, but is centered on the Far East, and it will be found to be a logical policy with a well-determined end in view. The attitude of the Administration so far as Europe is concerned will be the traditional policy of American presidents — the maintenance of friendly relations with the Powers, but no entanglement in matters in which the United States is not directly concerned. The seeking of trade advantages wherever possible without involving diplomatic concessions, and the observance of neutrality. The Administration's Far Eastern policy will mark a departure from the policy of "laissez-faire" on which until recently American public opinion insisted.

1934: Hurricane Ravaged El Salvador
SAN SALVADOR — While the mounting death toll taken by the hurricane which ravaged El Salvador last week was unofficially believed to have reached four figures, the republic is on the verge of starvation, with practically all crops destroyed. In view of the desperate situation, the government, armed with emergency powers, has forbidden any rise in prices and has abrogated import duties on grains and other foodstuffs for four months. A fleet of army planes has been dispatched to survey the countryside. Fear of an epidemic has caused the organization of sanitation relief. Troops are engaged in the hardest-hit sections clearing the debris, giving first aid, and attempting to restore order. The hurricane is continuing northwards with abated fury.

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Election-Year Paralysis? Let's Not Exaggerate

By Robert S. Strauss

NEW YORK — The conventional wisdom that presidential campaigns take a heavy toll on U.S. foreign policy is at the least an exaggeration and possibly dead wrong.

Once again this year, Americans are hearing claims that foreign policy will be paralyzed by the campaign. The scramble for votes, it is argued, will lead candidates into temptation on issues of importance to America's place in the world. From abroad come complaints that the electoral process may bring forward yet more American leaders with little experience in the stewardship of power.

Some of these concerns have obviously been justified by the 1984 primaries. But what Americans do not hear much about is how this process enriches the country's understanding of candidates, how it educates the people about serious foreign policy choices and how it can help Americans discover where they want to go as a nation. Many American leaders have been frustrated in their efforts to build and sustain political support. Sometimes for the better and at other times to the contrary. For example, President Reagan was unable to keep the marines deployed at the Beirut airport. The problem was not his lack of determination. It was simply that political support eroded beyond his administration's ability to sustain it in an election year.

Yet when they are built, political coalitions can greatly strengthen U.S. initiatives. The experience of the Kissinger commission on Central America, of which I was a member, shows the need for coalition building and policymaking. Clearly, U.S. policy in Central America will not shift to a course that makes sense for U.S. interests until political leaders can build a coalition much stronger than exists today. Opinions vary on how well the bipar-

tisan commission did its work, but its report certainly defined and structured the key areas for discussion and debate. Thus it made a valuable contribution toward creating a domestic political base for action that can generate lasting support.

Vigorous debate goes into determining whether a foreign policy idea is good or bad. But the successful implementation of any policy, whatever its merits, depends in large part on what happens to it as it passes through the political process.

Contrary to prevailing wisdom, presidential campaigns play a vital, positive role in shaping foreign policy. Every four years they bring the renewal of the democratic process to Americans' attention with special force. During campaigns, policy proposals receive their most sustained and thorough airing, the electorate's receptivity to new ideas peaks and the nature of the process itself opens centers on building political support.

This year is no exception. Already, keen public interest and intense debate have arisen concerning U.S.-Soviet relations, the military budget, the role of arms control, trade and other economic relations with allies, U.S. policy in Lebanon, the Arab-Israeli conflict and the Gulf. Washington's position on South Africa and U.S. involvement in Central America. So much for the myth that politics stops at the water's edge.

Many critics charge that presidential campaigns polarize public opinion. The opposite is more often the case. Usually, major candidates and presidents gravitate toward the magical center of American public opinion. During the first part of his presidency, Ronald Reagan departed significantly from

his predecessors' approach toward the Soviet Union and the role of arms control. Before coming to the White House, he had flatly opposed every arms control agreement ever concluded with Moscow and had expressed skepticism about the wisdom of even seeking such treaties. Yet by the beginning of 1984, he was espousing positions that would have sounded natural coming from some of his Democratic rivals.

Campaigns also permit the candidates themselves to get a better sense of what is on the electorate's mind by forcing them to travel around the country, judging the temper of the American people and the possibilities for creating political support for certain ideas. This year, Americans' overwhelming support for arms control has surely conditioned the candidates' positions. The debate over the nuclear freeze is bound to influence future arms control policy.

Americans may long to return to the days when there was more bipartisanship in foreign policy — when the water's edge did define some limits on controversy. The country would surely gain from more bipartisanship. But this impulse will always be limited, because so many foreign policy issues now involve domestic concerns and thus the regular push and pull of politics.

In the end, bipartisanship is most likely to emerge if the choices are thoroughly aired and debated. No time is better than during the contest for the presidency.

The writer, Democratic National Committee chairman from 1972 to 1977, was chief trade negotiator and special Middle East envoy during the Carter administration. This was adapted by The New York Times from a longer essay in Foreign Policy.

A Polish Quandary: 11 Who Refused Freedom

By Leopold Unger

BRUSSELS — The tone was somber: "The secret negotiations carried out during the last few months have ended. Neither the intervention of the Catholic Church nor that of the United Nations has facilitated a solution. The situation is in deadlock."

The statement was issued not after a superpower crisis, but by the Warsaw government after a failed attempt to resolve what appears to be an insurmountable quandary.

On one side of the problem is General Wojciech Jaruzelski, the Polish leader, and his army, police and party apparatus — all supported by the Soviet Union.

On the other side, 11 political

prisoners of the Polish state. They include Jacek Kuron, Adam Michnik, Zbigniew Romaszewski and Henryk Wujec, members of the KOR group of dissidents who from 1976 to 1981 gave rise to the democratic opposition and inspired the independent union movement. And there are also Andrzej Gwiazda, Seweryn Jaworski, Marian Jurczyk, Karol Modzelewski, Grzegorz Rozpachowski and Jan Rulawski, all former leaders of Solidarity.

They were arrested during and after the military takeover of Dec. 13, 1981, accused of plotting to "abolish the regime through force" and threatened with death. Later, the charges were lessened to "participation in a plot" and the penalty to 10 years in prison.

Their trial was announced as imminent several times. Each time the Polish press went through its full bag of clichés, accusing the 11 of being Trotskyists, anarchists, foreign agents, bigots, Zionists and reactionaries. Time and again, the charges were prepared, but only silence followed.

The silence was broken dramatically. The government offered the 11 an extraordinary choice: Freedom and exile in the West or a trial in Poland. All 11 vowed to remain in their homeland.

The offers that followed were more discreet. Temporary exile with a guaranteed right to return. A minor trial with a verdict to be covered by preventive detention. Or better

yet, a vow by the accused to stay out of politics until the end of 1986. All these offers were rejected.

The government then appealed to the church and to the United Nations. But neither the prime minister, working with the approval of the pope, nor Emilio de Oliveira, a special envoy of the UN secretary-general, managed to convince the 11 men to accept a government offer.

The Polish leadership then went further and agreed to some rare concessions: It offered the 11 men the use of an official villa (the one in which Lech Walesa was interned in 1982) so they could consult with Mr. Walesa and other former members of Solidarity free on parole.

Why this seeming show of humanity from a repressive regime? The 11 are an embarrassment to the Jaruzelski government. In Poland a secret trial is, for all practical purposes, impossible and a public trial would be transformed by the 11 men into a tribunal against the regime. That would be awkward at a visit by Konstantin U. Chernenko, the Soviet leader, to commemorate the official 40th anniversary of Communist power in Poland, on July 22.

And if such a trial were held, any verdict but acquittal could endanger all prospects of resumption of normal contacts — particularly financial contacts — with the West. Several states and Western bankers are clearly waiting for a pretext

to resume "business as usual" with Warsaw. Hans-Dietrich Genscher, the West German foreign minister, for example, has scheduled a visit to Warsaw this year.

This is why General Jaruzelski sought UN intervention, a highly unusual step for a Communist state. The Polish leader even agreed to allow the United Nations to guarantee the return to Poland of the 11 men. (The government paid a price for the UN intervention, by agreeing to free Alicia Wesołowska, a former UN official arrested in 1979 and imprisoned as a spy.)

The determination of the 11 men may turn into a question of conscience for the West, much like the Sakharov case. Warsaw feels that it must get rid of the men quietly. Instead, the regime seems to have compounded its problem, with the capture of Bogdan Lis, the No. 2 in the five-man clandestine leadership of Solidarity.

It also may face an embarrassment if Jacek Kuron has as reported, begun a hunger strike to press the demand for a trial or for unconditional freedom. The other 10 men stand behind that demand. If they accepted any of the government's offers, they say, they would, in effect, be admitting that they participated in illegal activity. They insist that they are guilty of nothing. They ask for neither pity nor pardon, but only for justice.

Unfortunately, justice is not one of the luxuries that a Communist government can readily afford.

International Herald Tribune.



'All right, you guys, you can go now'

Complacent Too Soon on the Population Problem

By Rafael M. Salas

The writer is executive director of the UN Fund for Population Activities.

NEW YORK — Representatives of 136 nations met exactly 10 years ago in Bucharest to discuss the problems of population growth and development. They debated hotly about what should be done, and, of course, there were disagreements on how to solve the world's population crisis. In the end, the conference agreed that each individual nation must decide for itself what would work best within its own context.

It has been a tumultuous decade. The Bucharest conference resulted in a variety of population programs in a variety of countries — and the end result has been that for the first time the world's annual population growth rate has started to decline. The world's nations will meet again in a few weeks in Mexico City to take stock of these developments.

But what will they discuss? For the industrialized states, sadly, some of the urgency concerning population has evaporated. Because the world growth rate is declining — largely due to innovative national projects dealing with family planning, female literacy and the reduction of infant mortality — many Western policymakers are starting to believe the problem has gone away.

Yet the population problem is far from being solved — and now it is the less-developed nations that are tak-

ing the lead in pointing out the danger of rapid population growth. More and more of these countries have active, effective population policies. But more and more are finding that they lack the resources they need to implement their programs.

In a few years about six billion people will enter a new century. This figure, larger by about a quarter than today's population, is not an exaggerated one — the parents of the extra billion-plus people are already born. Something must be done. But what?

Knowledge of modern family planning has been spread to the remotest parts of the world. But demand for family-planning services in developing countries has begun outstripping the ability to supply them.

Some knowledge of family planning has become part of the modern woman's equipment for life. And an increasing number of men are accepting their responsibility as well. Last year in Bangladesh an internationally funded population program sold enough male contraceptives to protect one million couples from unwanted pregnancy.

Access to family-planning services is a fundamental human right. Be-

cause it affects family size, it is integral to the quality of the lives of all family members. And it is the sovereign right of nations to decide what programs work best for them.

There is more to family size than family planning. Reducing infant mortality, for example, has been shown to slow, not speed up population growth. The better the chances for children's survival, the longer becomes the interval between pregnancies. Education is important, too. Women with some education get married later in life, are more likely to postpone their first child, and are better able to care for their children when they start a family.

In the industrialized countries, the small family became the norm only after a long period of comparative prosperity. Experts used to think this would hold for today's developing nations, but the experiences of a dozen countries in Asia, Africa and Latin America have made the experts change their minds. In countries with comparatively lower infant mortality, longer life expectancy, higher literacy and better access to family planning, families are becoming smaller.

In this way, public policy and hu-

man rights reinforce each other in population programs. But there is a long way to go.

The United Nations has estimated that if trends continue, world population will be 8.1 billion in 2025. But if the move toward smaller families could be accelerated, the total could be lowered by 900 million. To do this will require demonstration of uncommon determination and unity from the international community.

International Herald Tribune.

On Banks: Panic, No, Change, Yes

By Hobart Rowen

LONDON — The conventional wisdom among bankers is that the Continental Illinois bank disaster was an aberration in the system. By and large, they say, the banks are safe and they view the federal agencies' rescue operation as proof that the system is working.

"Don't believe the scare stories you've been hearing lately about a 'crisis' in the American banking system," former Comptroller of the Currency John G. Heimann said in a recent newspaper interview. "There is no crisis. The system is sound. There is absolutely no reason for any depositor to be frightened about the safety of his money."

That does not mean, he added, that individual banks may not have problems, or that all stockholders, as distinguished from depositors, are safe. Similar soothing language was used by both President Reagan and Treasury Secretary Donald T. Regan at the recent summit conference in London. Mr. Regan added that the banking system's problems are not limited to the United States.

Mr. Heimann, now deputy chairman of A.C. Becker Partners Inc. in New York, is one of the plain speakers in a frequently forked-tongued banking community, and his strongly worded reassurances should ease the more exaggerated concerns.

Nonetheless, there is a palpable sense of uncertainty in financial as well as banking circles. This was clear at the recent International Monetary Conference in Philadelphia.

Wilfried Guth, the managing director of Deutsche Bank A.G. of Frankfurt, observed that rising interest rates "have caused tensions and nervousness in the interbank market." This will cause problems for Third World countries where many big U.S. banks are heavily exposed.

Like Mr. Heimann, Mr. Guth rejected "any panicky mood or reactions," but added: "At the same time, it would seem to me more important than ever to continue, and wherever necessary intensify, the cautious approach with respect to the debt problem of making adequate provisions and securing a solid capital base which most of us have adopted."

To be sure, Continental became a cropper more on the basis of the poor quality of its domestic loans than its considerable involvement on the Third World scene. But the Federal Deposit Insurance Corp.'s decision to guarantee all deposits of the Chicago bank, even those over the usual \$100,000 cutoff, has two important implications for Third World debtors and their relationships to the banks.

First, the big banks can no longer make a credible case that debt repudiation by a Third World country could trigger a bank failure, and thereby bring about an international financial crisis. The FDIC showed it will not let this happen.

The second is that the FDIC, by choosing to protect all depositors in Continental Illinois (which it has not done before), has created a de facto two-tier system, with big banks which will not be allowed to go bust in one tier, and smaller banks, which lack that protection, in a lower tier. They will be less anxious to stay "locked in" to Third World commitments.

Mr. Heimann said the FDIC made the right decision on Continental Illinois. The agency's approach forced shareholders, not big depositors, to take the rap for bad management. It is the shareholder, not the depositor, who should have the responsibility for exercising discipline over the hired bank managers, he argued.

But the present comptroller, William D. Isaac, is pressing for legislation that would charge high-risk banks with insurance premiums, in much the same way that drivers with poor records have to pay higher rates for their auto collision insurance. Mr. Isaac also wants greater supervisory powers over high-risk banks.

I think that makes sense. Mr. Heimann argues that one can overregulate banks, or one can say, "This is a private banking system, and we should give banks the opportunity to succeed or fail." That is just what was not done in the Continental case, (though Mr. Heimann would say that it was because stockholders are paying the price of bad management.)

Nonetheless, as the House Banking Committee chairman, Ferdinand J. St. Germain points out, the FDIC insurance fund — although built up by premiums paid by the banks (that is, by the banks' customers) — has a last line of defense at the U.S. Treasury. That puts all taxpayers on the line in support of the banking system, and it would seem that the public is therefore entitled to better and more inclusive regulation of the system.

But even if Mr. Heimann is right, and there is no 1930s-style banking collapse in view, the fact that the eighth-largest bank in the United States is now effectively being run by the federal government tells me not that the system is working, but that something is wrong and needs prompt attention.

The Washington Post.

LETTERS TO THE EDITOR

Free Trip to the Gulag?

Regarding "KGB Offering Literary Film Prizes" (June 1), incontestably John Le Carré should win hands up or down.

V.W.H. GREENWAY, Brussels.

CIA in the Red

So now a House committee is investigating possible budget overruns in the CIA's project to overthrow the government of Nicaragua (June 7). It is a striking example of the peculiar coexistence in America of an intense concern with domestic legality and a dismissive contempt for international legality. The former helps to make

the United States a marvelous country in which to live. The latter helps to make the United States a frightening country to offend.

JOHN V. WHITBECK, Paris.

Leningrad, for Example

Regarding "Much Soviet Bad News" (Letters, May 23): That J.C. Dixon is uncertain about the Russian contribution to the defeat of Hitler, which cost the Soviet side something like 20 million dead, is lamentable. Hitler burnt the history books. We would distort them at our peril.

IAN SHARPE, Graz, Austria.

ARTS / LEISURE

Over Normandy With Peter Pan

BALLEROY, France — Fiat's president, Giovanni Agnelli, was looking forward to the silence and "the no-direction feeling." The film producer ("Jaws" and "The Sting") David Brown and his wife, Cosmopolitan's editor, Helen Gurley Brown, pronounced the experience "idyllic." The Pan American World Airways chairman, C. Edward Acker, missed the first ascent. "Seven o'clock came too early for me," explained his wife, Sandy.

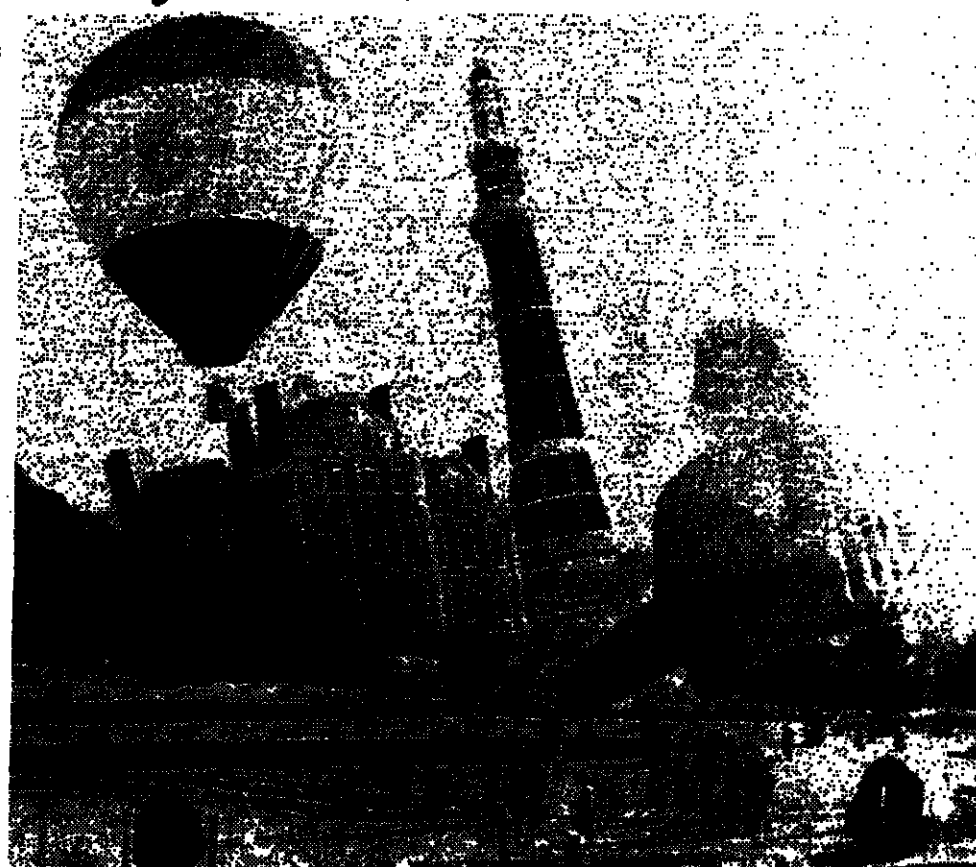
HEBE DORSEY

However, they made up for it the next morning and got their heads sprinkled with champagne by the American Express-sponsored balloon crew. As for Countess Charles de Breuille, who lives in Marrakech, she felt that having come here for the last 11 years, she was an habituée and did not need the experience.

All these people were weekend guests of Malcolm S. Forbes, chairman and editor-in-chief of Forbes Magazine, for the annual international invitational balloon meet at his Château de Balleroy. As such, they were treated to a balloon ride, a tantalizingly demoté start that goes back to 1783 and the Montgolfier brothers.

Forbes has put a lot of pizzazz into ballooning. His party, the ninth of its kind, and at a cost conservatively put at \$300,000, included more than 100 guests, a cross-section of business, industry, society and the media, plus his entire family, five children and assorted grandchildren, reunited here for the first time. But the kernel of it was outstanding ballooning and their crews from 12 different countries, among them Pakistan and Egypt.

The festivities took place in Normandy, on the grounds of Balleroy, an exquisite 17th-century Mansart building where everything down to the last teacup, is decorated in a



Floating versions of the Sphinx and other monuments on the grounds at Balleroy.

balloon motif. Balleroy also boasts a balloon museum, housed in the old, rose-covered stables, and said to be the largest in the world solely devoted to balloons. Many of the historic and bigger pieces are on loan from the Musée de l'Air, among them a huge balloon anchor from the 1870-71 siege of Paris.

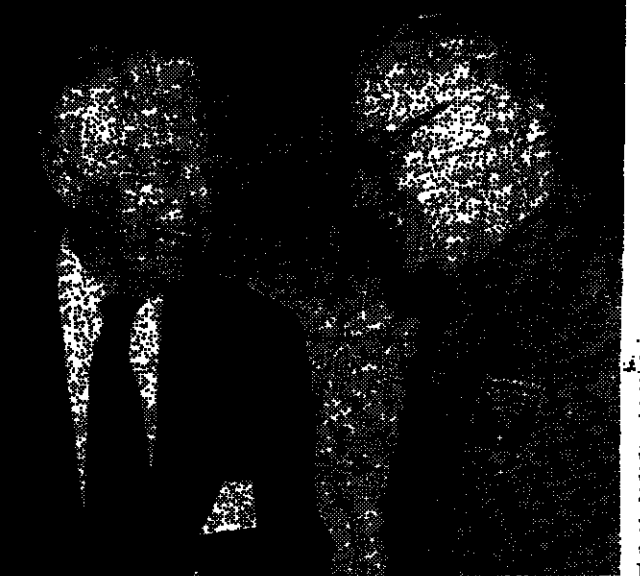
At the opening banquet, which was followed by spectacular fireworks to which all the neighboring villages were invited, Forbes introduced the ballooning, which included a Swiss woman, Maria Trindler, who got her pilot's license

well after her 50th birthday. Each got a clay plaque and an official certificate. Every year Forbes invites different ballooningists. This time, except for American Express and Buddy Bombard, who runs balloon trips for tourists in the wine country, all are amateur ballooningists.

The first evening was strictly show-off. Extravagant balloons, in the shape of a minaret and the Sphinx, were tethered to the ground next to a giant replica of the chateau itself, a wonderful piece of nonsense that Forbes calls his "chateau in the sky." As it floated above the real building, it made one feel like the balloonist Ian Bridge, who thought he had had too much wine.

The next day was serious business. In perfect weather, the early morning was full of noise as the balloons were being filled with hot air. Then some 15 of them took off for the big adventure. The most unusual was Beldor Robin, who flew without a basket and with a propane tank strapped to his back. "It's called the cloud-hopper," is the way he described his machine.

Things did not always turn out as amateur ballooningists expected. Agnelli discovered that hot air balloons can be quite noisy. As for the wonderful, no-direction feeling, it too slightly vanished when his balloon, piloted by Bombard, nearly landed on another chateau's lawn. The Browns, who shared the same balloon, loved the reception. When they landed, champagne bottle in hand, as is the custom, they were treated in return to an exceptional 1940 Calvados.



Giovanni Agnelli relaxed with Malcolm S. Forbes.

'Ghostbusters': Balanced Goofiness

CAPSULE comments on films recently released in the United States:

"Ghostbusters," directed by Ivan Reitman, is about three parapsychologists (Bill Murray, Dan Aykroyd and Harold Ramis), who form a business called Ghostbusters, and will investigate anything. They soon find themselves faced with various bizarre cases which test their scientific skill. Sherie Benson of the Los Angeles Times says, "The joy of the film is its balance. Everyone connected with it has hit the right tone — art direction, photography, sound track, the music. It is all pure goofiness, balanced by just the right deadpan New York City comment." Janet Maslin of The New York Times says "It's jokes, characters and sto-

ry line are as wispy as the ghosts themselves, and a good deal less substantial."

Joe Dante's "Gremlins" begins when Rod Pelton (Hoyt Axton), an unsuccessful inventor, buys a mongwai — a small furry fictitious

MOVIE MARQUEE

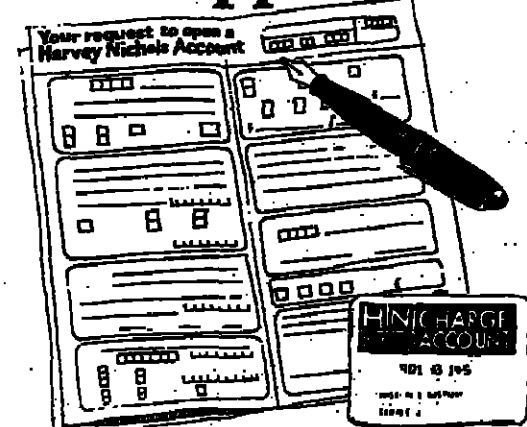
creature — in San Francisco's Chinatown. He brings it home as a Christmas present for his family with a warning on the dangers of exposing it to direct light or water and feeding it after midnight. The trouble breaks out in Kingston Falls when the instructions are not followed and the mongwai reproduces in the image of dozens of

small, demonic creature — the gremlins of the title. Says Vincent Canby of The New York Times "It is a wisecracking mixture of movie-buff jokes, movie genres and movie sensibilities. It's as schizoid as the mogwai."

"Best Street," says Vincent Canby of The New York Times, "is designed for everybody who still hasn't had his or her fill of break dancing, or who doesn't yet understand that break dancing, rap singing and graffiti are legitimate expressions of the urban artistic impulse." Directed by Stan Lathan, it is the story of some young Bronx people trying to dance, rap and spray paint their way to fame and fortune. "The film's melodrama adequately supports the nearly nonstop music and dancing," says Canby, "but is best understood as a trailer for the soundtrack album the music for which was produced by Harry Belafonte and Arthur Baker."

"Cold Feet," directed by Bruce VanDenen, recounts the marital breakups of two young, upwardly aspiring Manhattan couples. Tom Christie (Cliff Dumas), a director of television films, can no longer take the hypochondria, hypoglycemia and witty conversation of his wife, Leslie (Blanche Baker). Meanwhile, Marty Fenton (Marissa Chibas) complains that her boyfriend Bill (Mark Cronquist) is overbearing and she needs her own "space." The newly divorced Tom and the separated Marty find each other and finally consummate their friendship at the end of the film. Says Vincent Canby of The New York Times "Before that happens, there's more intensely sincere and dopey talk about 'relationships' than you're likely to hear in a year of radio phone-in shows."

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On the California Wine-Tasting Circuit

By Frank J. Prial
New York Times Service

SONOMA, California — It's a few minutes before 10 on a typical spring morning and the tour buses are pulling into the parking lot at the Sebastiani Winery in Sonoma, a town 60 miles north of San Francisco. The alighting passengers are elderly women in blue-rimmed hair and pastel pantsuits, their male counterparts in sport shirts and bolo ties.

Precisely at 10 the doors open to the visitors center, and another day has begun on the California wine-tasting circuit. There are some 500 wineries in California and at least half of them welcome guests. For many of the wineries, it is an important part of their income.

"We will do almost \$1 million in retail business in our tasting room by the end of the year," said Sam Sebastiani, president of the winery, "but it will cost us almost a million to run it. We think of it as a promotional tool more than anything else."

The tasting room is an outgrowth of the California way of selling wine — at the back door of the winery — with, of course, a taste for the prospective customer. Even the Sebastianis, who run an elaborate tasting and tour operation with 20 employees, started modestly. "If anyone came by and rang the doorbell, it was usually the accountant who got up from his desk and showed them around," Sebastiani said.

Many larger wineries have turned their tasting rooms into variety stores hawking corkscrews, glasses, bottle openers, T-shirts and dozens of other items only marginally connected to wine. The tours and tastings are still free at most of the wineries.

Other wineries offer jazz and classical concerts and give festivals and dinners for interested groups. The Robert Mondavi Winery in the Napa Valley each year offers a series of cooking classes with famous European chefs. The classes can cost several thousand dollars.

A visit to a U.S. winery is often a family affair, with activities provided for children on the grounds while mom and dad try a few sips of the vintage.

Wineries that offer tours usually require that everyone make the trek before getting a crack at the tasting room. Samples in the tasting room are small, usually two ounces or less, but the dedicated can visit a lot of wineries in the course of a few hours. Most tasting rooms close at 5 P.M. and it's not uncommon to see vehicles hurrying down the highway in an effort to squeeze in just one more.

The expert by European standards would have little interest in a U.S. tasting room. The wines are standard. Most visitors are simply

tourists to whom the wine country is another attraction.

There is a study purporting to show that California's three principal tourist attractions are, in order, Disneyland, the Golden Gate Bridge and the wine country, mainly the Napa Valley north of San Francisco.

The wineries hope their tasting rooms will bring in converts, people who will take home a bottle or two and then look for more in the local retail stores.

There are, however, a few wineries worth the trip for amateur and expert alike:

- Sebastiani because it is part of the wine country folklore.
- Mondavi in the Napa Valley for the innovative way the winery is laid out and for the beauty of the location and the building itself.
- Sterling Vineyards, in Calis-

toga, with its cable-car ride up from the valley floor and its fascinating self-conducted tour.

Some wineries — such as Heitz Cellars in the Napa Valley; Fetzer Vineyards, far to the north in Mendocino, and Almaden, south in San Benito — have tasting facilities separate from the winery, permitting the business of producing wine to continue without interference. At the same time, it permits visitors to taste the wines without having to trudge through yet another winery.

An important exception is the handsome Domaine Chandon, Moët & Chandon's big facility to produce sparkling wine at Yountville in the Napa Valley. There are tours every hour, a champagne museum and a model vineyard. There is also an excellent French restaurant serving lunch and dinner by reservation. There are special festi-

vals for Mardi Gras and Bastille Day.

In Windsor, near Healdsburg in Sonoma County, Piper Heidsieck and Sonoma Vineyards have combined to produce Piper Sonoma, another French-American sparkling wine. The beautiful new winery and the starkly modern Sonoma Vineyards winery next door make a worthy stop.

The big Souverain winery near Geyserville in northern Sonoma has an art gallery and a delightful restaurant open daily for lunch and, Wednesday through Sunday, for dinner.

These are good wineries to visit whether you are an amateur or a serious enthusiast. If your interest runs to specific wineries, write beforehand. The Wine Institute, 165 Post Street, San Francisco, 94108, can supply addresses and maps.

Zimbabwe's Unlikely Viticulture

By John Edlin
The Associated Press

HARARE, Zimbabwe — When the first batch of generically labeled "Rhodesian white wine" was ready for a publicized tasting party 12 years ago, someone mistakenly poured it into four vats that had been used to store vinegar.

Vintners hastily canceled the party. Critics suggested that vinegar might have improved the flavor, but today the enterprising viticulturists and vintners are having the last laugh.

A multimillion-dollar wine industry is thriving in high-altitude Zimbabwe, a southern African country of hot, rainy summers and dry winters — the reverse of the ideal.

"The grape growing here is rather haphazard," concedes Tom Southwell, 69, who produces grapes on his 40-acre (16-hectare) farm in the eastern highlands. "We muddle through. There's no selection of vines and no research. We don't even have an association. I get the highest yields in the country, but we just don't know why."

Helmut Becker, a West German expert, assessed after a visit that Zimbabwe has the potential to produce quality wine, and the cellars have already attained world standards.

"They just need to experiment and find out the right sorts of grapes to match the climate and ground conditions," he said.

Climate is the biggest headache. While Cape Province in neighboring South Africa is blessed with ideal Mediterranean seasons of warm, dry summers and rainy winters, the Zimbabwe climate robs grapes of sugar and and curses them with too much acid. So some

Zimbabwe growers simply add sugar.

Yet Zimbabwe white wines such as Bin 16, Kronenprinz and Premier Grand Cru are big sellers with locals as well as foreign diplomats and tourists.

Vat 10 colombar, a crisp, dry white produced by Monis Wineries, won a bronze medal at the 14th International Wine and Spirit competition in Britain last year.

"We've gone on trial and error," says Tim Johnson, general manager of Monis, one of two major wine producers that together made more than 1.25 million bottles last year. "We're still experimenting, still looking for the perfect grape, but we've done very well in such a short time."

The biggest triumph for Monis — in a country where local reds are rarely mentioned in polite circles — is Mukuru cabernet, matured for more than a year in special oak casks imported from France. Stainless steel and fiberglass vats are used to mature other wines.

"This red is already highly ac-

claimed and, for the first time, it's a wine that can be laid down to improve with age in the bottle," says Jack Simleit, a partner in the Phillips wine cellar. "All our other wines are young and should be drunk young."

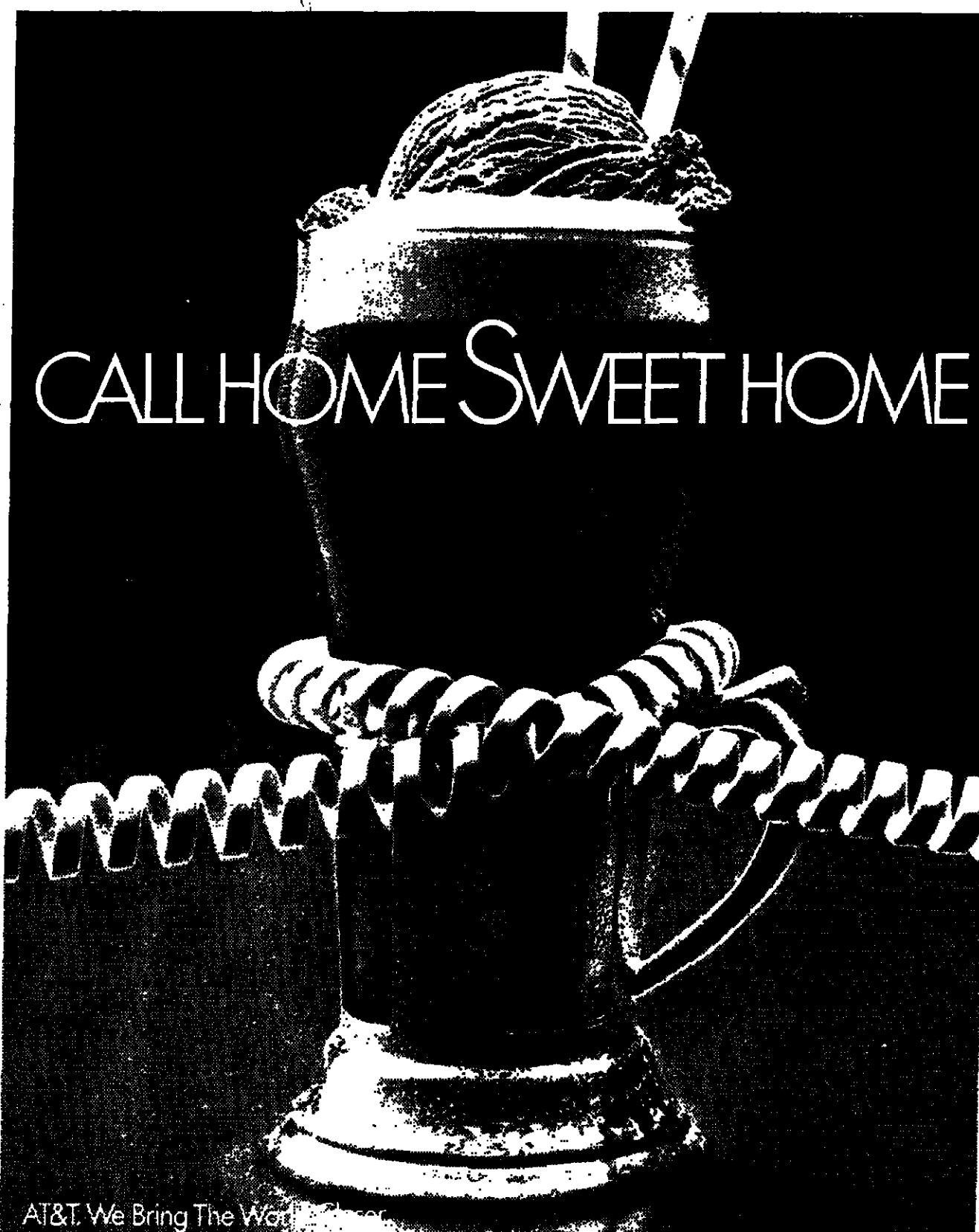
Simleit's grandfather, a descendant of German pioneers who settled in Cape Province in 1820, was one of many Zimbabweans skeptical of moves to build a wine industry 20 years ago. His liquor store in the heart of downtown Harare had thrived since 1945 on imported wines.

But politics took a hand. While the country was under United Nations economic sanctions, there was little hard currency for imported luxuries.

"So we looked at what the country had to offer," says Simleit. Tobacco farmers, fearful that sanctions would torpedo the country's main export, started growing other crops like grapes.

Exports of wine, mainly to neighboring countries, rose from nothing 10 years ago to \$28,000 in 1980 and \$40,000 in 1982.

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So many things can remind you of the folks back home. And even though there's a big ocean between you and the ones you love, it's nice to know you can feel close again just by picking up the phone. So give them a call and let them know you really care. They'll be thrilled to hear from you. And you'll discover how sweet it is to hear a voice from home.



What do you get when you combine an investment bank with a commercial bank?

Bankers Trust.

Six years ago, Bankers Trust began its transformation into a wholesale bank. Along the way, it expanded the frontiers of both commercial and investment banking within a single integrated institution.

Today, Bankers Trust has become a major force in the marketplace as a worldwide merchant bank.

Merchant banking. It combines the lending capability and breadth of non-credit services of a commercial bank with the intermediary skills, flexibility, and entrepreneurial spirit of an investment bank.

With over \$40 billion in assets, the on-balance-sheet lending capability of Bankers Trust far exceeds that of any investment bank. And few commercial banks can match Bankers Trust's array of investment banking services, which surpasses that of many investment banks.

Our customers include many of the world's leading corporations. Their needs are complicated and often inter-related. Such customers require a bank of proven leadership across a broad range of financial transactions. Meeting their needs has moved us to a preeminent position in:

Loan syndication. In 1983, Bankers Trust was the largest U.S.-based bank in global syndication activity, and the second largest in the world. Bankers Trust lead-managed over \$24 billion in

loan syndications.

Loan participations. Our Syndication Group granted over \$2 billion in loan participations to banks and other institutional lenders last year, a figure unsurpassed by any other financial institution. This year, our volume of participations is running at an annual rate of \$6 billion.

Trade banking. Our ability to take advantage of government insurance programs in structuring export financing has given Bankers Trust a leadership position in this field.

Lease financing. We arranged more than \$1 billion in equipment value of big-ticket lease transactions in 1983. In aircraft leasing alone, we captured more than 40 percent of the market.

Private placements. Last year, Bankers Trust completed over \$1 billion, positioning us among the leaders in this form of financing.

Swaps. Our capital markets professionals have made us a world leader in interest rate and currency swaps with nearly \$3 billion in contracts written in 1983.

Commercial paper. We were the first money center bank to act as agent for commercial paper. Our customers now have more than \$2.5 billion outstanding. Only a handful of investment banks—and no commercial bank—exceeds this volume.

Public finance. We pioneered the development of both variable-rate demand notes and tax-exempt com-

mercial paper. Bankers Trust also introduced a new market rate, TENR, which has been used to price well over \$1 billion of tax-exempt

mercantile paper.

Trading. From our new state-of-the-art trading room in New York, we execute over

interest rate, currency, and precious metals futures markets. BT Futures executed over \$150 billion worth of contracts in 1983.

Investment management. We are responsible for investing more than \$37 billion in employee benefit and personal trust assets. Employee benefit clients include over 100 of the world's major corporations and public sector entities.

Earnings performance. Bankers Trust New York Corporation's earnings performance is evidence that its commitment to worldwide merchant banking has found favor with its clients. The Corporation's earnings increased at an annual average of 29 percent over the last six years, a growth rate greater than that of any of the country's other 10 largest bank holding companies.

Today, an increasing number of America's premier corporations are coming to Bankers Trust for both commercial and investment banking services.

Clearly, merchant banking is an idea whose time has come. It is a dynamic, aggressive kind of banking, perfectly shaped to meet the needs of today's rapidly-changing financial world. Bankers Trust is positioned at the leading edge of merchant banking. And we intend to stay there.



Typical of the Bank's commitment to worldwide merchant banking is its new trading room in New York. Over \$12 billion in money, securities and currency transactions flow through it each day.

floating-rate issues.

Eurosecurities. In 1983, we co-managed nearly \$10 billion in Eurosecurity offerings. Bankers Trust is one of the most active participants in the secondary market, particularly in floating rate notes—an instrument we intro-

\$12 billion in money, securities, and currency transactions daily. Bankers Trust is today one of the five largest primary United States government securities dealers.

Futures. Our new subsidiary, BT Futures Corp., is a major participant in the

Bankers Trust Company
Merchant banking, worldwide.

NYSE Most Actives		
IBM	111 1/4	+1 1/4
AT&T	101 1/4	+1 1/4
GE	51 1/4	+1 1/4
Westinghouse	41 1/4	+1 1/4
Johnson & Johnson	71 1/4	+1 1/4
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General Electric	51 1/4	+1 1/4

Dow Jones Averages		
Indust. Ave.	2,815.14	+15.64
Comp. & Bus.	1,115.61	+15.64
Transp.	1,115.61	+15.64
Chem.	1,115.61	+15.64
Elect.	1,115.61	+15.64
Tele.	1,115.61	+15.64
Auto.	1,115.61	+15.64
Food	1,115.61	+15.64
Drugs	1,115.61	+15.64
Metals	1,115.61	+15.64

NYSE Index		
NYSE	2,815.14	+15.64
NYSE Comp.	1,115.61	+15.64
NYSE Transp.	1,115.61	+15.64
NYSE Chem.	1,115.61	+15.64
NYSE Elect.	1,115.61	+15.64
NYSE Tele.	1,115.61	+15.64
NYSE Auto.	1,115.61	+15.64
NYSE Food	1,115.61	+15.64
NYSE Drugs	1,115.61	+15.64
NYSE Metals	1,115.61	+15.64

NYSE Closing		
Vol. at 3 P.M.	35,500,000	
Prev. 3 P.M. vol.	35,000,000	
Prev. consolidated close	2,800.00	
Tables include the nationwide prices up to the closing on Wall Street		

AMEX Diaries		
AMEX	1,115.61	+15.64
AMEX Comp.	1,115.61	+15.64
AMEX Transp.	1,115.61	+15.64
AMEX Chem.	1,115.61	+15.64
AMEX Elect.	1,115.61	+15.64
AMEX Tele.	1,115.61	+15.64
AMEX Auto.	1,115.61	+15.64
AMEX Food	1,115.61	+15.64
AMEX Drugs	1,115.61	+15.64
AMEX Metals	1,115.61	+15.64

NASDAQ Index		
NASDAQ	1,115.61	+15.64
NASDAQ Comp.	1,115.61	+15.64
NASDAQ Transp.	1,115.61	+15.64
NASDAQ Chem.	1,115.61	+15.64
NASDAQ Elect.	1,115.61	+15.64
NASDAQ Tele.	1,115.61	+15.64
NASDAQ Auto.	1,115.61	+15.64
NASDAQ Food	1,115.61	+15.64
NASDAQ Drugs	1,115.61	+15.64
NASDAQ Metals	1,115.61	+15.64

AMEX Most Actives		
AMEX	1,115.61	+15.64
AMEX Comp.	1,115.61	+15.64
AMEX Transp.	1,115.61	+15.64
AMEX Chem.	1,115.61	+15.64
AMEX Elect.	1,115.61	+15.64
AMEX Tele.	1,115.61	+15.64
AMEX Auto.	1,115.61	+15.64
AMEX Food	1,115.61	+15.64
AMEX Drugs	1,115.61	+15.64
AMEX Metals	1,115.61	+15.64

NYSE Most Actives		
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New York Prices Fall Broadly

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange suffered a broad setback in slow trading Monday amid continuing interest-rate worries.

The Dow Jones average of 30 industrials was down 15.64 points to 1,115.61 a few minutes before the close.

Losers outnumbered gainers by more than 2 to 1.

Interest rates were mostly higher in the bond and short-term money markets this morning.

Analysts said there were widespread expectations that the Federal Reserve would follow a relatively restrictive credit policy in the months ahead, trying to counter fears of a revival of inflation.

With interest rates at their presents levels, many observers say, investors have little incentive to take the risks involved in buying stocks when they can get generous returns on fixed-income securities such as Treasury bills.

Volume was to 35.6 million shares an hour before the close.

Marvin Katz of Sanford C. Bernstein said stocks were being hurt by a retreat in the bond market, where prices dropped in slow trading. Stocks have followed the actions of bonds for months.

"The market is continuing to build a base in the 1,115-to-1,125 area of the Dow Jones industrial average," Mr. Katz said. "We're back into a pattern of backing and filling."

Also, last week's results were somewhat disappointing since the market appeared poised for a major rally after breaking a slide dramatically the week before.

Stan Weinstein of the Professional Tape Reader, Hollywood, Florida, thinks the "market will test new lows soon if the Dow Jones industrial average falls below 1,125."

While many observers believe the economy is slowing down, it is uncertain just how much.

The government's latest survey showed corporations plan to spend 14.8 percent more than a year ago on new plants and equipment this year. That's up from 12.6 percent at the previous survey.

Henry Kaufman, Salomon Brothers economist, says the slowdown is illusory because it resulted from unusual retooling in the automobile industry. That factor "probably presages an acceleration in activity during the third quarter," he said.

Carnation Co. was one of the most active NYSE-listed issues following a block of 1.16 million shares traded at 58.

Occidental Petroleum (ex-dividend) was active and lower after several block trades. Dominion Resources made the list with a block of 696,000 shares at 22 1/2.

IBM, which lost 3 1/4 last week when it cut prices on its personal computers and PCjr, was lower most of the day. Brokers said the price-cutting move could hurt competitors.

Southland Corp. plunged at the outset. Southland was convicted of tax fraud in a Manhattan federal court late Friday, which raises doubts whether its 7-Eleven stores could continue to sell beer and wine.

AMR Corp., UAL Inc., Northwest (ex-dividend), Delta, USAir and Southwest were lower amid speculation that fare wars were about to emerge again among the airlines.

NYSE Most Actives		
IBM	111 1/4	+1 1/4
AT&T	101 1/4	+1 1/4
GE	51 1/4	+1 1/4
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The Money Markets in Turmoil?


A common occurrence with paper assets?

Now is the right time to consider Krugerrands.

Genuine legal tender, Krugerrand gold coins combine the age-old security of gold with instant liquidity. 24 hours a day. Nearly everywhere around the globe.

Krugerrands-gold in its most trusted standardized form.

Ask your bank or gold bullion coin dealer.



KRUGERRAND
Money you can trust.

NYSE Most Actives		
IBM	111 1/4	+1 1/4
AT&T	101 1/4	+1 1/4
GE	51 1/4	+1 1/4
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BUSINESS ROUNDUP

Pan Am Signs Contract On War-Readiness Plan

By Stephen Labaton
New York Times Service

WASHINGTON — Pan American World Airways has signed a \$104-million contract with the air force for the war-readiness program, but says it will make no profit on the contract.

Under the program, Pan Am is modifying five 747s, wide-bodied passenger transports, to fly as cargo aircraft in an emergency.

"We're not netting anything," said Pam Hanlon, Pan Am's corporate communications director. The \$104 million to be paid by the air force will just cover the carrier's costs, she said. "We're doing it to cooperate with the government and to get cash up front," she said.

The airline lost \$31 million in 1983 and has reported losses in 11 of the past 14 years. It expects to receive \$65 million in the 1985 fiscal year, which starts Oct. 1, and \$39 million the next year for modifying the planes.

The payments will make Pan Am the biggest participant in a little-known air force program to make preparations for limited mobilization or war: the Civil Reserve Air Fleet, or CRAFT, which was set up in 1952.

The program is intended to keep civilian planes available for military use in an emergency. Pan Am and United are the only airlines in the cargo-enhancement aspect of CRAFT.

If the air force decides to pay for 14 more modifications, Pan Am could receive an additional \$285 million by 1988.

The air force awarded Pan Am the contract last September. A United Airlines DC-10 was modified by the air force under a similar arrangement about five years ago, according to a United spokesman.

Major Michael Perini, an air force spokesman, said the air force began the current project last year after it realized it did not have an adequate reserve of civilian aircraft to transport heavy cargo in a national emergency.

Two other airlines — Capital and Eastern — bid for the contract last June after the air force solicited 28 companies for the project. The project is costing the air force \$637.8 million; in addition to paying Pan Am \$104 million, its contractors and subcontractors are to be paid.

Each plane will be modified by the addition of a cargo door, a cargo floor and a cargo-handling system. The modifications will add about 10,000 pounds (4,500 kilograms) to aircraft weight, which will raise fuel costs for Pan Am by

about \$6 million a year for each modified plane.

The first plane will take six months to modify, beginning in January in either Kansas or New York. As more planes are refined, the time it takes to modify each one will be diminished.

Jeffrey F. Kriender, a Pan Am vice president, said the modifications would not affect passenger service because the planes would not normally be in use during the time they were being restructured. He said Pan Am had the largest fleet of 747s in the industry, 44.

Under the air force contract, Pan Am must make the modified planes available on call for 12 years, or repay the air force for the cost of the modifications.

Pan Am's public relations director, James Arey, declined to say whether the carrier was required to participate in military exercises or drills.

"That's classified," he said.

An air force official, who asked not to be identified, said other airlines in CRAFT were regularly involved in military exercises. "I assume Pan Am will be, too," the official said.

Pan Am is the largest volunteer in the main CRAFT program, which currently lists 374 planes from 27 airlines. For making 63 planes available on 48-hour notice, Pan Am last year received \$34 million worth of contracts from the air force. The business included flying military charters, transporting Defense Department personnel and carrying military cargo.

Pan Am phased out its own 747 all-cargo fleet last July because it was unprofitable. Last month, the airline reported \$70.3 million in losses for this year's first quarter.

Plessey Agrees On Joint Venture

LONDON — Plessey Co. PLC said Monday that it had signed a joint-venture agreement with Electronics SpA of Italy to cooperate in the defense electronics market.

The agreement, entailing an investment by Plessey of £20 million (\$27.9 million), calls for an increase in the capital of Elettronica, with Plessey acquiring 35 percent of the enlarged capital as well as further option rights. Spokesmen for Plessey said more details are not immediately available.

A joint-venture company is to be formed in Britain, and Elettronica will hold 35 percent of the issued capital.

Zanussi Sets Talks On Debt Problem

ROME — Officials of Zanussi Electrical Group, its bankers and Italian government officials are to meet in Rome on Thursday to discuss the group's debt problems, banking sources reported Monday.

Zanussi, which has reported group consolidated losses of 170.9 billion lire (\$1 million) for the past two years, has total debt of about 1 trillion lire and a net debt exposure to its banks of nearly 700 billion lire, the spokesman said.

About \$50 million of short-term Eurocurrency borrowing is due at the end of June and early in July, he added.

COMPANY NOTES

ACF Industries Inc. shareholders approved an agreement to merge ACF with a company formed by an affiliate of Carl C. Icahn for \$54.50 a share. About 83.5 percent of ACF's 8.4 million shares outstanding in favor of the merger, through which Mr. Icahn and affiliates will take ACF private, ACF said. If the merger is not completed before July 1, shareholders will be paid \$55 a share, the company said.

Cadillac Fairview Corp. said 9.5 million shares were tendered under its offer to buy back as many as 15 million of its common shares at a price of 13.50 Canadian dollars (\$10.37) each. The offer expired Friday. The company said all shares tendered will be retired, to reduce its total common shares outstanding to 72.2 million. Of the total, 28.6 million shares are held by Camp Investments Ltd. and as a result of open-market purchases last week, almost 13 million are owned by Olympia & York Development Ltd.

Canada Cement Lafarge Ltd., a Lafarge Corp. unit, said its directors had approved the redemption of its cumulative redeemable preference shares at 16.50 Canadian dollars (\$12.67) each, plus accrued dividends.

Enstar Corp. and Unimar Co. said they are discussing alternative arrangements to replace a proposed spinoff of Enstar's Alaska natural gas transmission and distribution business to Enstar's shareholders. The Alaska Public Utilities Commission decided not to approve the temporary authority for Enstar to transfer its gas distribution certificate of public convenience to Enstar's subsidiary. The approval was a prerequisite for the proposed spinoff.

General Cinema Corp. of Chestnut Hill, Massachusetts, said it expects to have record earnings for the 1984 fiscal year, ending Oct. 30. A company spokesman said earnings will be above last year's earnings from continuing operations of \$57.1 million, but not above its bottom-line earnings of \$98.5 million.

Japanese Profits Rose 25.4% In January-March Quarter

TOKYO — The profits of Japanese companies rose 25.4 percent in the January-March quarter from a year earlier, the Finance Ministry said Monday.

In the October-December quarter of 1983, profits had risen 30.4 percent from a year earlier.

The ministry took a random sample of 13,220 companies out of a total of 310,600, excluding banks and insurance concerns, with capital of more than 10 million yen (\$43,000).

January-March profits of companies in the manufacturing sector rose 41.8 percent from a year earlier after a 25.5-percent gain in the preceding three months, the ministry said.

It was the first quarter since the October-December period in 1979 that the increase in manufacturing-sector profits exceeded 40 percent, the ministry said.

January-March profits of electrical companies climbed 58.7 percent from a year earlier after a 52.7-percent increase in the October-December period, it said.

Profits in the nonmanufacturing sector rose 13 percent in the January-March period from a year earlier after a 35.7-percent increase in the preceding quarter, it said.

Manufacturing sector sales rose 11.5 percent in January-March after a 7.5-percent rise in the October-December quarter. Nonmanufacturing sales rose 9.7 percent, up from 5.9 percent a year earlier.

The survey found that manufacturers' profit-sales ratio in January-March was 4 percent, up from 3.7 percent in the October-December period. The ratio for nonmanufacturing companies was 2.1 percent, up from 2 percent in the preceding three months.

Capital spending in the manufacturing sector in the January-March quarter rose 7.8 percent from a year earlier after a 3.9-percent increase in October-December period, and nonmanufacturing spending was up 23.7 percent after a 5.4-percent increase, it said.

Associated Hotels Has Drop in Assets

HONG KONG — The net asset value per share of Associated Hotels Ltd. fell to 31 Hong Kong cents (4 U.S. cents) in the year ended Sept. 30, 1983, from 5.48 Hong Kong dollars a year earlier, the company said Monday.

It said a recently completed property valuation by Jones Lang Wootton land agent shows the value of the company's properties under development, including investments in Mass Transit Railway Corp. development sites, dropped to 469.59 million dollars from 604.83 million dollars in 1982-1983. Trading in Associated Hotels shares was suspended June 4 at 70 cents a share.

The statement put Associated Hotels' total loans on Sept. 30 at 1.17 billion dollars. The company said in a previous statement that on Sept. 30 it owed 650 million dollars to a syndicate of 21 local and international banks. Last week, it pledged as collateral for the loan its major asset, the Hyatt Regency Hotel in Kowloon.

Hitachi Posts Record Profit, Sales for Year

TOKYO — Hitachi Ltd. said on Monday that profit for the year ended March 31 rose 11 percent to a record 167.1 billion yen (\$722 million), from 150.5 billion yen a year earlier, on record sales of 4.4 trillion yen, up 13 percent from 3.9 trillion yen a year earlier.

Hitachi also said that it expects to report at least an 8-percent increase in consolidated net income and sales for the current fiscal year, on gains in the electronics and consumer product divisions.

MCI Planning to Offer Telephone Information

WASHINGTON — MCI Communications Corp., in a bid to steal some marketing thunder from American Telephone & Telegraph Co., said Monday that it would begin offering its customers a long-distance information service next month.

William G. McGowan, MCI's founder and chairman, told telephone executives at a trade conference that his company would duplicate AT&T's long-distance directory assistance system starting July 15 and would charge a lower fee for the service.

Last month, AT&T began charging its customers 50 cents for each long-distance information call after the first two such calls each month. The first two calls are free if the customer uses the AT&T network to place at least two regular long-distance calls a month.

The change in AT&T's directory assistance policy was a direct result of the Jan. 1 breakup of the Bell System, because AT&T must pay local Bell companies for handling its information calls.

Mr. McGowan said MCI would follow AT&T's system of allowing two free information calls so long as the MCI network is used for regular long-distance calls, but will charge 45 cents instead of 50 cents for each subsequent information call.

MCI is moving into the directory assistance business by paying each of the 22 local Bell companies nationwide for use of their operators, just as AT&T does. Mr. McGowan said the new service was another example of how competition in the long-distance business "will be a benefit to all."

The Washington-based MCI is the second largest long-distance company behind AT&T. Since the Jan. 1 breakup of the Bell System, it has expanded its long-distance activities, announcing it will drop its monthly service fees on July 15 and restructure its rates to offer large discounts.

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